

MEMORANDUM (Page Two)

TO: Cambridge Retirement Board
RE: Appropriation for Fiscal Year 1997

The maximum allowable amount that may be transferred from the Pension Reserve Fund to the Pension Fund is also included in this Memorandum. Please note that such transfer is not required and may be made only to the extent that additional amounts are needed to pay benefits. If an amount greater than such maximum allowable amount is required, then permission must be obtained from PERA.

Page 3 of this Memorandum indicates the appropriation amount which was required for your retirement system in FY 1995 and FY 1996, as well as the amount which must be made for Fiscal 1997.

In addition, in order to assist retirement systems and municipalities in future financial planning, the summary table on that page also indicates current estimates of the appropriations which must be made in Fiscal 1998, 1999, 2000 and 2001.

Actuarial assumptions utilized in projecting Fiscal 1998 through Fiscal 2001 Cost of Benefits were conservative. We believe, however, that they provide a useful frame of reference for understanding the direction of the retirement system's pension funding obligations.

The portion of the Fiscal Year 1997 appropriation to be paid by each of the governmental units within your system is displayed on the final page. The amount indicated is dependent upon payments in accordance with the established funding schedule.

If you have any questions, please contact PERA's Actuary, Barbara Ware, at (617) 727-9380.

JJM/BW/MLM

Actuarial/approp/FY97non

Attachments

cc: City Council
c/o City Clerk

Office of the City Manager

Cambridge Retirement Board

Historical and Projected Appropriations

Fiscal Year 1997 - July 1, 1996 to June 30, 1997

Fiscal Year	Pension Fund Needed (Cost of Benefits)	Amount From Funding Scheduling	Pension Fund Appropriation	Pension Reserve Fund Appropriation	ERI Appropriation	Transfer From PRF to PF
FY 1995	\$16,009,651	\$12,747,000	\$16,058,902	\$0	\$712,547	\$0
FY 1996	\$16,257,204	\$17,682,382	\$17,289,308	\$393,074	\$431,101	\$0
FY 1997	\$16,514,586	\$18,001,203	\$16,514,586	\$1,486,617	\$431,101	\$0
FY 1998	\$16,782,026	\$18,339,154	\$16,782,026	\$1,557,128	\$431,101	\$0
FY 1999	\$17,059,758	\$18,697,381	\$17,059,758	\$1,637,623	\$431,101	\$0
FY 2000	\$17,348,024	\$19,077,102	\$17,348,024	\$1,729,078	\$431,101	\$0
FY 2001	\$17,647,069	\$19,479,607	\$17,647,069	\$1,832,538	\$431,101	\$0

In accordance with your funding schedule, appropriation payments are due July 1 (beginning of the fiscal year). Whenever payments are made at a date one month or more before the scheduled date or whenever payments are made one month or more after the scheduled date, PERA's actuary should be contacted so that a revised amount can be calculated. Payments will be adjusted with interest at the rate assumed in the actuarial valuation used as the basis for your schedule. In no case may payments be made at a date beyond this fiscal year.

Cambridge Retirement Board

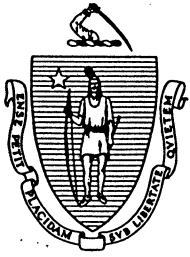
Appropriation by Governmental Unit

Fiscal Year 1997 - July 1, 1996 to June 30, 1997

Aggregate amount of appropriation: **\$18,432,304**

UNIT	Percent of Aggregate Amount	Pension Fund Amount	Pension Reserve Fund Amount	Early Retirement	Total Appropriation
City of Cambridge	95.64%	\$15,794,550	\$1,421,800	\$410,667	\$17,627,017
Cambridge Housing	4.21%	\$695,264	\$62,587	\$13,278	\$771,129
Cambridge Redevelopment	0.15%	24,772	\$2,230	\$7,156	\$34,158
UNIT TOTAL	100%	\$16,514,586	\$1,486,617	\$431,101	\$18,432,304

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THE COMMONWEALTH OF MASSACHUSETTS

DIVISION OF PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION

JOHN W. MCCORMACK BUILDING • ROOM 1101

ONE ASHBURTON PLACE • BOSTON, MA 02108

727-9380

JOHN J. MCGLYNN
COMMISSIONER

JOSEPH I. MARTIN
FIRST DEPUTY COMMISSIONER
BARBARA J. PHILLIPS
COUNSEL

MEMORANDUM

TO: Cambridge Retirement Board

FROM: Commissioner John J. McGlynn *J.J.M.*

RE: Appropriation for Fiscal Year 1997

DATE: December 15, 1995

RECEIVED BY
OFFICE OF CITY CLERK
1035 DEC 18 AM 10:59
CAMBRIDGE 11A.

Required FY97 Appropriation: **\$18,432,304**

This Division is hereby furnishing you with the amount to be appropriated for your retirement system for the Fiscal Year 1997 which commences July 1, 1996.

Since your system has accepted a funding schedule in accordance with section 22D or section 22(6A)(b) of G.L. c. 32, we have shown the amount from your funding schedule and the newly calculated Cost of Benefits. If your system enacted an Early Retirement Incentive, we have included the associated costs. Please note that if an actuarial valuation has not been performed for your system subsequent to January 1, 1993, the funding schedule amounts are subject to change once a new valuation of your system has been completed.

The Pension Fund must include sufficient funds so that the Cost of Benefits can be paid from it. If the annual payment under the funding schedule is greater than the Cost of Benefits, an amount equal to the Cost of Benefits should be paid into the Pension Fund and the difference must be paid into the Pension Reserve Fund. If the payment under the funding schedule is less than the Cost of Benefits, the entire appropriation must be paid into the Pension Fund. If any additional amount is needed to cover the Cost of Benefits, such amount may be transferred from the Pension Reserve Fund to the Pension Fund as long as such amount is no greater than the difference between the Cost of Benefits and the appropriation made.

Consent Communication #1

17-25 8-2
Communication was received from
Commissioner John J. McGlynn, Commonwealth
of Massachusetts, Division of Public
Employee Retirement Administration,
transmitting Appropriation for Fiscal Year
1997.

Sent to CM 1/10/96 gwt

In City Council January 8, 1996

Referred to the City Manager.