The Worcester Retirement Board met at 9:00 A.M. on Friday May 28th, 2021 for their annual actuarial review through teleconference. All Board members were present. S. Wentzell acted as Chair for the meeting. Kathy Riley, Andrew Luongo from Segal Co. were in attendance to present the 1/1/2021 valuation.

The valuation is a review based on the 2020 retirement system data.

There was a 2.5% decrease in total number of active employees from 2019 to 2020. Average Payroll went up 4%. In regards to pensioners there was a decrease in the number of survivor pensioners but the overall amount of retirees stayed consistent with previous years.

During 2020 there was a Market Value return of 11.41%; 9.38% on an actuarial basis. There are $64M in gains that are not reflected in the actuarial value of assets; this will be used to buffer adverse investment results for future valuations.

The Assumed Rate of return is unchanged and remains at 6.9%.

The System is currently 67.13%, this compared to last year is a 3.21% increase. The unfunded liability has decreased from $560.9M as of January 1 2020 to $523.71M as of January 1 of 2021. The System plan is to be fully funded by June 30th 2034. Each year there is a 6.33% increase until the final year where there will be a 69.68% decrease in the final payment. The FY 2022 total appropriation has been set to $59,024,767.

Voted: Accept the valuation and funding schedule. 5-0

The Board recessed at approximately 9:35 A.M.

Respectfully Submitted,

Lisa M. Poske, Executive Secretary

Stephen F. Wentzell, Appointed Member, Acting Chair

Elizabeth A. Early, Elected Member

John F. Mahan, Elected Member

Robert V. Stearns, Ex Officio Member

Tamara Cullen, Fifth Member