

Municipal Retiree Health Care Liabilities in Massachusetts (sorted by population size)

To supplement our report on retiree health care liabilities, the Foundation is in the process of collecting such data for all cities and towns in Massachusetts. This spreadsheet includes new data from 50 additional municipalities, along with updated data for some of the largest 50 municipalities.

This spreadsheet will be updated regularly. If your community's data is not listed and it is available, please contact the Foundation.

Explanation of Table Columns

1. AAL (Actuarial Accrued Liability)

This column is the total retiree health care liability for each community. The liability is the amount that each municipality must pay in today's dollars for the retiree health care benefits already earned by current employees and retirees.

2. AVA (Actuarial Value of Assets)

This column lists the funding that each community has set aside, as of their last actuarial valuation, to pay for retiree health care liabilities.

To fund these liabilities, GASB requires that contributions be placed into an irrevocable trust to ensure that the assets are not withdrawn for other purposes. Only a handful of communities have created these trusts, and the contributions into the trusts have in almost every case been minimal. In addition, a few communities have made small contributions to special funds for retiree health care, though not to formal trusts.

Some communities—Boston, Brookline, Wellesley, and Needham, for example—have either established irrevocable trusts or made additional contributions since their last actuarial valuation, so their current assets may be higher than what is reflected in the table. Even with these additional contributions, retiree health care liabilities are woefully underfunded.

3. UAAL (Unfunded Actuarial Accrued Liability)

The numbers in this column are the unfunded portion of the retiree health care liability in each community. The unfunded liability is the total liability less any assets the municipality has designated for retiree health care (column 1 minus column 2).

4. ARC (Annual Required Contribution)

The ARC is the amount a municipality must pay each year to fund its liability. The ARC is based on two calculations: an amortization payment and a "normal cost" payment. The amortization payment is the annual cost to eliminate the existing unfunded liability over a period of time, in this case 30 years. It includes the expenses for current retirees. The normal cost is the amount a municipality must set aside each year to fund the retiree health care obligations payable in the future that were incurred for active employees during that year.

5. Pay-as-you-go Costs

Nearly all municipalities in Massachusetts pay for retiree health care on a pay-as-you-go basis, as opposed to funding the ARC, so this column is generally the amount the municipality spent in a given fiscal year to pay its share of health care premiums for current retirees. Pay-as-you-go funding does nothing to cover the costs of future retirees and instead merely pushes those obligations into the future.

Two noteworthy exceptions are Needham and Wellesley. Both communities met their ARC in fiscal year 2010, so their pay-as-you-go cost numbers include significant contributions to retiree health care trusts.

6. Paygo FY

Since the timeliness of municipal financial reporting varies widely in the Commonwealth, not all the data in the pay-as-you-go column is from the same fiscal year. This column shows for which fiscal year the pay-as-you-go funding applies.

7. Progress to ARC

This column compares current retiree health care spending to the ARC. Since the ARC is the amount a community needs to set aside each year to reduce its liability, this column provides an idea of how much a community would need to increase funding to begin to address its retiree health care liability.

Every time a municipality pays less than its full ARC, the unfunded amount becomes an additional obligation and will be added to the liability in future actuarial calculations. The longer a municipality delays setting aside assets, the larger the additional liability.

8. Assumed Rate of Return

To calculate the liability and the ARC, communities assume that any assets they set aside will earn interest or investment income at a certain rate. This column displays the assumed rate of return, which is sometimes referred to as the discount rate. A higher assumed rate of return results in a lower liability, and a lower assumed rate of return results in a higher liability.

9. Date of Valuation

GASB requires municipalities to perform actuarial valuations every two years for plans with more than 200 active and retired members. This column lists the date of the valuation from which the data was collected. Communities may have conducted more recent valuations, but those valuations were either not readily accessible or not included in the community's most recent financial statements.

Massachusetts Municipal Retiree Health Care Liabilities
(in descending order of population size)

Pop. Rank	Municipality	(1) AAL (1000s)	(2) AVA (1000s)	(3) UAAL (1000s)	(4) ARC (1000s)	(5) Pay-as-you-go Costs (1000s)	(6) Paygo FY	(7) Progress to ARC	(8) Assumed Rate of Return	(9) Date of Valuation
1	Boston	4,553,816	0	4,553,816	252,685	153,433	2010	61%	5.30%	6/30/2009
2	Worcester	765,312	0	765,312	70,142	19,507	2009	28%	4.00%	6/30/2008
3	Springfield	761,576	0	761,576	43,555	25,004	2009	57%	3.50%	6/30/2008
4	Cambridge	598,995	0	598,995	39,272	18,558	2009	47%	4.50%	1/1/2009
5	Lowell	432,752	0	432,752	31,917	8,738	2009	27%	3.50%	1/1/2008
6	Brockton	635,224	0	635,224	46,244	15,808	2009	34%	4.00%	6/30/2009
7	New Bedford	478,609	0	478,609	31,933	12,537	2009	39%	3.50%	7/1/2007
8	Quincy	435,548	0	435,548	31,433	10,967	2009	35%	3.50%	7/1/2007
9	Fall River	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
10	Lynn	450,682	0	450,682	28,993	11,005	2009	38%	8.00%	6/30/2008
11	Newton	531,675	0	531,675	47,573	14,141	2009	30%	2.00%	6/30/2010
12	Somerville	570,929	0	570,929	34,353	15,038	2009	44%	3.50%	6/30/2008
13	Lawrence	323,977	0	323,977	33,661	7,843	2009	23%	4.00%	1/1/2009
14	Framingham	389,843	0	389,843	26,539	12,181	2009	46%	4.00%	7/1/2008
15	Haverhill	299,042	0	299,042	16,613	11,227	2009	68%	5.00%	1/1/2009
16	Waltham	517,000	0	517,000	30,129	17,869	2009	59%	4.00%	7/1/2006
17	Plymouth	264,991	0	264,991	21,182	11,975	2009	57%	4.50%	7/1/2006
18	Brookline	323,000	0	323,000	20,503	9,532	2009	46%	5.30%	6/30/2008
19	Malden	164,766	0	164,766	16,137	5,309	2008	33%	5.00%	6/30/2008
20	Chicopee	165,267	0	165,267	11,481	6,613	2009	58%	5.00%	12/31/2006
21	Taunton	335,113	0	335,113	22,258	6,150	2009	28%	3.50%	6/30/2008
22	Medford	247,639	0	247,639	14,018	6,215	2009	44%	3.50%	6/30/2008
23	Weymouth	131,756	0	131,756	11,020	0	2009	0%	8.00%	1/1/2007

Massachusetts Municipal Retiree Health Care Liabilities
(in descending order of population size)

Pop. Rank	Municipality	(1) AAL (1000s)	(2) AVA (1000s)	(3) UAAL (1000s)	(4) ARC (1000s)	(5) Pay-as-you-go Costs (1000s)	(6) Paygo FY	(7) Progress to ARC	(8) Assumed Rate of Return	(9) Date of Valuation
24	Peabody	419,806	0	419,806	26,183	9,926	2008	38%	3.50%	7/1/2006
25	Revere	160,287	0	160,287	15,636	6,912	2009	44%	N/A	7/1/2007
26	Barnstable	159,322	0	159,322	11,202	5,060	2009	45%	5.00%	6/30/2008
27	Methuen	209,816	0	209,816	14,340	4,494	2009	31%	4.50%	6/30/2008
28	Attleboro	274,301	0	274,301	24,309	0	2009	0%	4.30%	6/30/2009
29	Pittsfield	224,749	0	224,749	17,719	7,549	2009	43%	N/A	1/1/2007
30	Leominster	154,772	0	154,772	13,454	4,968	2009	37%	4.50%	1/1/2008
31	Fitchburg	177,764	0	177,764	13,159	5,444	2009	41%	4.30%	1/1/2009
32	Westfield	178,430	0	178,430	20,440	5,197	2009	25%	3.80%	6/30/2008
33	Arlington	142,349	2,909	139,440	12,729	8,762	2009	69%	5.30%	1/1/2008
34	Salem	159,946	0	159,946	11,129	6,799	2009	61%	5.00%	12/31/2007
35	Holyoke	300,166	0	300,166	19,471	6,564	2008	34%	4.00%	6/30/2007
36	Billerica	233,836	0	233,836	17,020	6,970	2009	41%	4.30%	1/1/2009
37	Beverly	209,173	0	209,173	12,936	6,028	2009	47%	4.00%	6/30/2009
38	Woburn	208,492	0	208,492	13,220	6,231	2010	47%	5.00%	6/30/2009
39	Marlborough	111,574	0	111,574	8,796	2,344	2009	27%	3.50%	7/1/2008
40	Everett	137,107	0	137,107	12,574	5,183	2009	41%	4.00%	1/1/2007
41	Chelsea	184,806	0	184,806	20,010	1,861	2008	9%	4.00%	6/30/2008
42	Amherst	68,990	0	68,990	6,025	2,140	2009	36%	4.30%	7/1/2007
43	Braintree	158,006	0	158,006	14,500	5,498	2009	38%	4.90%	1/1/2007
44	Dartmouth	59,273	0	59,273	6,240	1,647	2009	26%	4.00%	7/1/2008
45	Chelmsford	162,400	0	162,400	14,043	5,040	2010	36%	4.30%	1/1/2009
46	Shrewsbury	85,122	0	85,122	6,700	1,504	2009	22%	3.50%	7/1/2009

Massachusetts Municipal Retiree Health Care Liabilities
(in descending order of population size)

Pop. Rank	Municipality	(1) AAL (1000s)	(2) AVA (1000s)	(3) UAAL (1000s)	(4) ARC (1000s)	(5) Pay-as-you-go Costs (1000s)	(6) Paygo FY	(7) Progress to ARC	(8) Assumed Rate of Return	(9) Date of Valuation
47	Andover	245,108	0	245,108	18,051	5,363	2009	30%	3.50%	6/30/2009
48	Watertown	118,381	0	118,381	7,352	3,432	2009	47%	3.50%	6/30/2009
49	Falmouth	108,886	0	108,886	7,776	3,232	2009	42%	5.00%	7/1/2008
50	Natick	111,744	0	111,744	10,908	2,997	2009	27%	4.00%	7/1/2008
51	Franklin	79,943	0	79,943	6,662	1,703	2010	26%	4.00%	6/30/2009
52	Randolph	74,244	0	74,244	6,320	3,211	2009	51%	4.00%	7/1/2008
53	Lexington	266,939	840	266,099	23,146	6,416	2010	28%	N/A	6/30/2009
54	Tewksbury	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
55	Gloucester	147,791	0	147,791	11,819	4,470	2009	38%	4.50%	1/1/2008
56	Dracut	137,717	0	137,717	8,569	3,829	2010	45%	4.50%	1/1/2009
57	Needham	48,888	5,008	43,880	3,447	3,447	2010	100%	8.00%	7/1/2009
58	Agawam	157,094	0	157,094	10,637	2,820	2009	27%	4.50%	1/1/2008
59	Norwood	132,031	0	132,031	7,937	2,772	2009	35%	3.50%	1/1/2008
60	Northampton	110,552	0	110,552	8,789	4,085	2009	46%	N/A	5/1/2007
61	West Springfield	120,130	0	120,130	10,743	3,316	2009	31%	4.25%	7/1/2008
62	Saugus	97,721	0	97,721	9,664	3,487	2010	36%	4.00%	7/1/2008
63	North Attleborough	210,177	0	210,177	16,160	3,517	2009	22%	3.50%	7/1/2008
64	North Andover	114,931	0	114,931	10,965	3,978	2009	36%	4.50%	7/1/2008
65	Milford	55,542	0	55,542	5,662	1,284	2008	23%	4.00%	7/1/2007
66	Wellesley	109,103	3,962	105,142	8,185	9,519	2010	116%	8.00%	6/30/2008
67	Bridgewater	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
68	Danvers	111,325	0	111,325	11,521	3,886	2010	34%	5.00%	7/1/2008
69	Stoughton	117,349	0	117,349	8,599	3,712	2009	43%	4.25%	1/1/2009

Massachusetts Municipal Retiree Health Care Liabilities
(in descending order of population size)

Pop. Rank	Municipality	(1) AAL (1000s)	(2) AVA (1000s)	(3) UAAL (1000s)	(4) ARC (1000s)	(5) Pay-as-you-go Costs (1000s)	(6) Paygo FY	(7) Progress to ARC	(8) Assumed Rate of Return	(9) Date of Valuation
70	Melrose	152,792	0	152,792	11,238	6,213	2010	55%	4.25%	1/1/2009
71	Milton	133,000	0	133,000	12,068	4,027	2010	33%	4.00%	7/1/2008
72	Burlington	137,797	0	137,797	8,302	4,798	2009	58%	5.00%	12/31/2007
73	Wakefield	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
74	Marshfield	82,657	20	82,636	5,753	2,160	2010	38%	4.50%	12/31/2009
75	Dedham	112,626	0	112,626	7,950	2,658	2009	33%	3.50%	7/1/2008
76	Yarmouth	48,975	0	48,975	3,631	535	2009	15%	5.00%	6/30/2006
77	Belmont	166,550	501	166,049	16,795	7,041	2010	42%	5.00%	7/1/2008
78	Reading	60,023	0	60,023	6,347	3,724	2010	59%	7.75%	6/30/2008
79	Walpole	49,375	0	49,375	4,044	1,432	2009	35%	3.50%	7/1/2008
80	Mansfield	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
81	Hingham	114,530	247	114,284	7,718	3,763	2010	49%	3.50%	1/1/2009
82	Easton	96,116	0	96,116	8,699	2,350	2009	27%	4.25%	1/1/2009
83	Westford	55,489	0	55,489	6,194	1,286	2009	21%	4.00%	7/1/2008
84	Canton	80,263	0	80,263	5,684	2,719	2010	48%	4.25%	1/1/2009
85	Wilmington	103,082	0	103,082	9,211	2,915	2009	32%	4.50%	1/1/2009
86	Ludlow	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
87	Stoneham	108,238	0	108,238	7,535	2,674	2009	35%	3.50%	7/1/2006
88	Winchester	110,278	0	110,278	8,232	2,816	2010	34%	3.50%	7/1/2008
89	Middleborough	102,222	0	102,222	9,154	2,817	2010	31%	4.00%	7/1/2008
90	Wareham	83,051	0	83,051	7,619	2,858	2009	38%	4.00%	7/1/2008
91	Acton	48,495	0	48,495	3,983	1,172	2009	29%	4.50%	12/31/2007
92	Gardner	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Massachusetts Municipal Retiree Health Care Liabilities
(in descending order of population size)

Pop. Rank	Municipality	(1) AAL (1000s)	(2) AVA (1000s)	(3) UAAL (1000s)	(4) ARC (1000s)	(5) Pay-as-you-go Costs (1000s)	(6) Paygo FY	(7) Progress to ARC	(8) Assumed Rate of Return	(9) Date of Valuation
93	Hudson	62,540	0	62,540	5,639	2,386	2009	42%	4.00%	7/1/2008
94	Marblehead	116,948	0	116,948	8,505	4,672	2010	55%	4.50%	7/1/2008
95	Sandwich	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
96	Bourne	74,937	0	74,937	4,918	2,155	2009	44%	5.00%	6/30/2008
97	Norton	50,630	0	50,630	3,661	1,678	2010	46%	4.00%	7/1/2009
98	Winthrop	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
99	Pembroke	46,016	0	46,016	4,389	1,356	2009	31%	4.00%	7/1/2008
100	Somerset	84,424	0	84,424	6,977	2,914	2009	42%	4.00%	7/1/2008
Total (in 1,000s)		22,514,649	13,487	22,501,162	1,610,631	669,365	--	42%	--	--
Percent Funded, Statewide:			0.06%							