

Sandra A. Hanks  
Board Chair

Angelina J. Bragdon  
Council Member

Gabriele H. Voelker  
Elected Member

**FRANKLIN REGIONAL RETIREMENT SYSTEM**  
101 MUNSON STREET, SUITE 108  
GREENFIELD, MASSACHUSETTS 01301-9675

Paul J. Mokrzecki  
Vice Chair

Mary A. Stokarski  
Elected Member

Kristine Mathis  
Executive Director

**Annual Report for the Calendar Year Ending December 31, 2023**

To the reader:

The Franklin Regional Retirement System is a government agency that serves the 659 retirees, 45 beneficiaries, 993 active employees, and 795 inactive members of the towns and agencies in Franklin County. We are organized under Chapter 34b, and subject to the provisions of Chapter 32 of the Massachusetts General Laws. We receive oversight on the state level from the Public Employee Retirement Administration Commission (PERAC). We contract with an independent auditor to do a full audit of our system each year. We also contract with an actuary to perform a complete actuarial valuation every two years. PERAC audits our operations and financial records every three years.

The retirement benefit we provide replaces participation in the Social Security system and is described as a “defined benefit”, which means that we pay monthly retirement benefits based on the age, salary, and number of years worked at the time a member of our system retires. To be a member, an employee in one of our government units must be working in a permanent position scheduled at 20 hours or more per week and earning \$5,000 or greater annually. Funding of these benefits begins with deductions from the member, and combined with matching funds from the employing unit, are invested in a mix of stocks, bonds, and indexed funds. Investment earnings are a large part of the funding of retirement benefits, and the allocation of those funds are spread to a variety of sectors to take advantage of positive activity as it occurs in each sector. Please make note of our investment performance percentages in the chart on the next page.

Up until 1988, we were a “pay-as-you-go” system. In 1988 it was legislated that we begin saving to become “fully funded” over the ensuing 40 years. Fully funded means we have enough in reserves to pay for all the current and future potential benefits of our present membership. At the end of 2023, we are 78.4% funded at 35 years (87.5%) into the 40-year mandate.

Our fiscal year is the calendar year; therefore our annual report is not filed until May of the subsequent year, and as a consequence the information provided herein will be a year old by the time you read this. Current reports and information can be found on our website:

[www.FRRSMA.com](http://www.FRRSMA.com).

What follows is a synopsis of our annual report, as filed with our state oversight commission, PERAC. The full PERAC report can be read on the “Finances” page of our website.

	CY 2023	CY 2022	CY 2021
<b><u>Balances</u></b>			
Cash	1,656,694	1,446,341	1,428,506
Investments	194,273,958	178,624,410	207,207,180
Receivables	178,850.78	91,548	97,899
Payables	2,144,768	2,858,413	2,581,944
Annuity Savings (members)	37,178,587	35,595,132	33,909,443
Retirement Reserves	155,129,454	140,262,413	170,813,691
<b><u>Revenues</u></b>			
Member's contributions	5,307,283	4,772,807	4,423,787
Towns, Schools, Agencies	8,618,449	8,126,405	7,684,673
Retirement Cost Sharing	482,556	717,106	546,491
Miscellaneous Revenue	22,802	5,102	21,318
Investment Income (net)	21,273,379	(24,772,785)	35,121,918
<b><u>Expenses</u></b>			
Retirement Benefits	14,287,852	13,254,653.81	12,576,161
Operating Expenses	749,554	600,163	605,897
Investment Expenses	982,374	1,026,228	1,056,568
Retirement Cost Sharing	2,533,784	2,230,307	1,808,102
Refunds to Members	700,410	602,871	591,658
<b><u>Investment Performance</u></b>			
Target	7.75%	7.75%	7.75%
Since 1984	8.37%	8.28%	8.89%
10 years	7.74%	8.45%	11.26%
5 years	9.60%	6.36%	12.32%
Current Year	12.10%	-12.16%	20.40%
<b><u>Demographics</u></b>			
	<b>1/1/2022</b>	<b>1/1/2022</b>	<b>1/1/2022</b>
Members' Average Age	48.00	48.00	48.00
Members' Average Service	9.50	9.50	9.50
Members' Average Salary	41,628.00	41,628.00	41,628.00
Retirees' Average Age	72.90	72.90	72.90
Retirees' Average Pension	18,949.00	18,949.00	18,949.00
Disabled Members' Average Age	60.60	60.60	60.60
Disabled Members' Average Pension	28,793.00	28,793.00	28,793.00

Kristine Mathis  
 Executive Director  
 Franklin Regional Retirement System