

**Consolidated Plan
for Participating Local Districts
of the Maine Public Employees Retirement System**

**Actuarial Valuation Report
as of June 30, 2007**

Produced by [Cheiron](#)

November 2007

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November 27, 2007

Board of Trustees
Maine Public Employees Retirement System
#46 State House Station
Augusta, Maine 04333-0046

Dear Members of the Board:

At your request, we have conducted our annual actuarial valuation of the Consolidated Plan for Participating Local Districts of the Maine Public Employees Retirement System as of June 30, 2007. The results of the valuation are contained in this report. The purpose of the valuation is discussed in the Foreword.

This report contains information on Plan assets, as well as analyses which combine asset and liability performance and projections. The report also discloses employer contribution levels, and required disclosures under the Government Accounting Standards Board Statement #25.

Your attention is called to the Foreword in which we refer to the general approach employed in the preparation of this report. We also comment on the sources and reliability of both the data and the actuarial assumptions on which our findings are based. Those comments are the basis for our certification that this report is complete and accurate to the best of our knowledge and belief. The results of this report are only applicable to Participating Local District (PLD) contributions for Fiscal Year Ending 2009 and rely on future plan experience conforming to the underlying assumptions. To the extent that actual plan experience deviates from the underlying assumptions, the results would vary accordingly.

I hereby certify that, to the best of my knowledge, this report is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the Code of Professional Conduct and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board, and that as a Member of the American Academy of Actuaries, I meet the Qualification Standards to render the opinion contained in this report.

Sincerely,
Cheiron



Fiona E. Liston, FSA, EA
Consulting Actuary



FOREWORD

Cheiron has performed the actuarial valuation of the Consolidated Plan for Participating Local Districts (PLDs) of the Maine Public Employees Retirement System (MainePERS) as of June 30, 2007. The purpose of this report is to:

- 1) **Measure and disclose**, as of the valuation date, the financial condition of the Plan;
- 2) **Indicate trends** in the financial progress of the Plan;
- 3) **Determine the contribution rate** to be paid by the PLDs for Fiscal Year 2009; and
- 4) **Provide specific information** and documentation required by the Government Accounting Standards Board (GASB).

An actuarial valuation establishes and analyzes Plan assets and liabilities on a consistent basis, and traces the progress of both from one year to the next. It includes measurement of the Plan's investment performance as well as an analysis of actuarial liability gains and losses.

Section I presents a summary containing our findings and disclosing important trends experienced by the Plan in recent years.

Section II contains details on various asset measures, together with pertinent performance measurements.

Section III shows similar information on Plan liabilities, measured for actuarial, accounting, and government reporting purposes.

Section IV develops the PLD contribution rates determined using actuarial techniques and compares that to the reduced rates currently in place.

Section V includes the required disclosures under GASB Statement No. 25.

The appendices to this report contain a summary of the Plan's membership at the valuation date, a summary of the major provisions of the Plan, and the actuarial methods and assumptions used in the valuations.

In preparing our report, we relied without audit, on information (some oral and some written) supplied by the MainePERS's staff. This information includes, but is not limited to, plan provisions, employee data, and financial information.

The actuarial assumptions reflect our understanding of the likely future experience of the Plan and the assumptions as a whole represent our best estimate for the future experience of the Plan. The accuracy of the results presented in this report are dependent upon future experience conforming to these assumptions. To the extent that future experience deviates from the actuarial assumptions, the true cost of the Plan could vary from our results.

Finally, in preparing this report, we have conformed to generally accepted actuarial principles and practices which are consistent with the Code of Professional Conduct, and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board.

SECTION I BOARD SUMMARY

General Comments

Most of the Participating Local Districts (PLDs) in the State of Maine participate in this Consolidated Retirement Plan. The Plan offers a number of benefit choices from which the PLDs can choose and each benefit choice has a pre-determined cost associated with it to be paid by both the member and the PLD. The PLDs' contributions are set using a Corridor Funding Method. Under this funding approach, the PLD rate is fixed as long as the Plan's funded status (the ratio of actuarial assets to actuarial accrued liability) remains within a corridor of 90% to 130%. As of this June 30, 2007 valuation, the funded ratio is 109%.

As long as the funded ratio remains within the corridor, the aggregate PLD contribution rate is fixed at 3% of payroll. If the funded status falls outside of the corridor, the employer contribution rate will be incrementally adjusted, but will never be less than a given minimum rate, unless the Board identifies compelling circumstances dictating otherwise. The factor for incremental adjustments when the funded status falls outside the range is 10% of the difference between the calculated rate and the rate then in effect. The minimum base rate is 1% of payroll.

The "calculated rate" discussed above is defined as the sum of the Plan's normal cost and a 15 year amortization of the "Pooled Unfunded Actuarial Liability" (PUAL). In addition to this payroll-based employer contribution rate, many PLDs are making additional payments (or taking additional credits) to adjust for their Individual Unpooled Unfunded Actuarial Liability (IUUAL) or to pay a "joining fee" to provide equity between those just coming into the Plan and those whose earlier contributions gave rise to the PUAL surplus and its resulting low contribution rates.

The current fixed rate of 3% of payroll represents the aggregate of the rates of the various plan benefit structures within the Consolidated Plan. The rates for the plans reflect the payroll-

weighted normal cost and pooled UAL contributions under each plan. The resulting rates for each plan are shown in Section IV of this report.

The remainder of this section summarizes the Plan's trends, provides the projections, and summarizes the principal results of this year's valuation.

Trends

The financial markets performed better than our assumed rate of return during the fiscal year ending in 2007, which produced actuarial gains on the asset side of the Plan. The actual return on a market value basis was approximately 16.23%. On an actuarial value basis, the assets returned 10.57% compared with an assumed rate of return of 7.75% producing an asset gain of \$55 million.

The measurement of liabilities produced a loss this year in the amount of \$20 million.

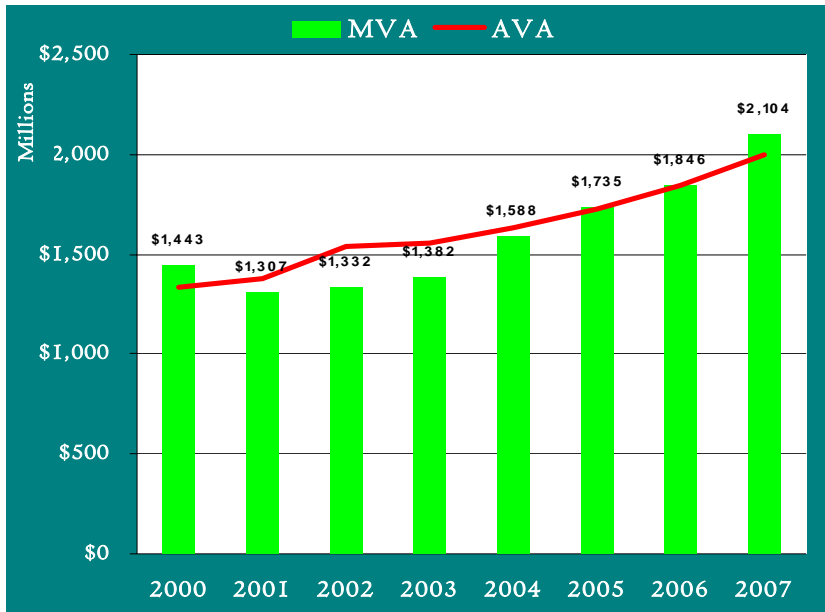
The combination of these two components over the last year, produced a net gain of \$35 million resulting in the Plan's funding ratio (actuarial value of assets over actuarial accrued liability) increasing from 107% as of June 30, 2006 to 109% as of June 30, 2007.

It is important to take a step back from the latest results and view them in the context of the Plan's recent history. On the next two pages we present a series of charts which display key factors in the valuations over the last six years. After the historical review we present a few projection graphs, showing the probable condition of the Plan over the next 15 years under various market return scenarios.

**CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
ACTUARIAL VALUATION AS OF JUNE 30, 2007**

**SECTION I
BOARD SUMMARY**

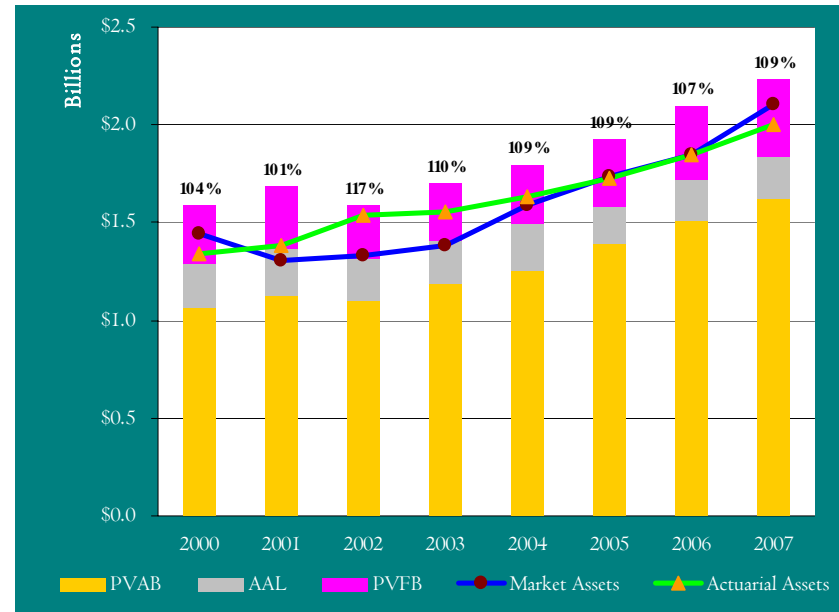
Growth in Assets



The above graph illustrates how the actuarial smoothing method has insulated the Plan from market volatility.

While the market value of assets (MVA) declined from 2000 to 2001 and has been slowly recovering since that time, the actuarial, or smoothed, value of assets (AVA) showed increases over the entire period. The market return over the period shown has been 6.07% compared to the valuation assumption of 7.75%.

Assets and Liabilities



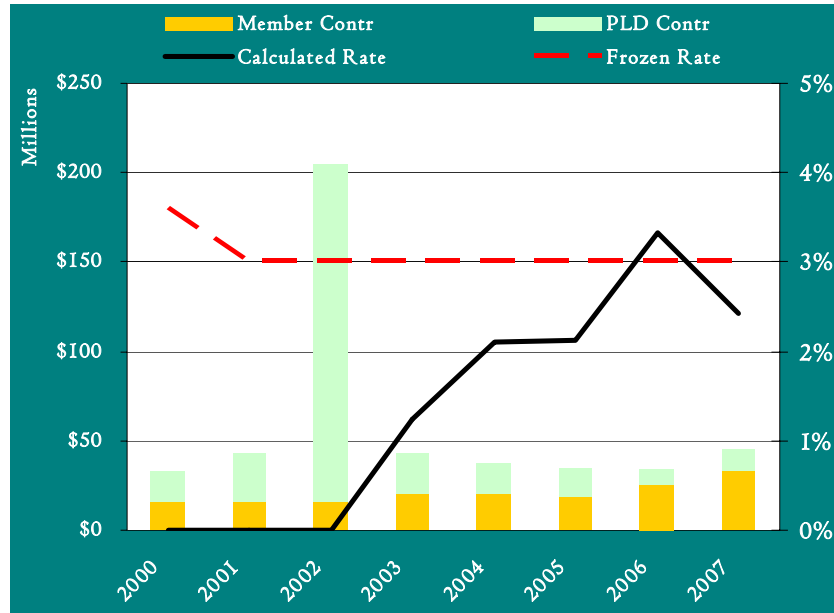
In this comparison graph, the three colored bars represent the three different measures of liability mentioned in this report. For funding purposes, the target amount Actuarial Accrued Liability (the AAL) is represented by the top of the grey bar. We compare the actuarial value of assets to this measure of liability in developing the funded percent. These are the percentages shown in the graph labels.

The chart illustrates that the Plan had its highest funded percentage (117%) at June 30, 2002, which was just after several PLDs paid off their IUUALs. The amount represented by the top of the pink bars, the Present Value of Future Benefits (PVFB), is the amount needed to provide all benefits for the current participants and their beneficiaries. If the Plan had assets equal to the PVFB no contributions would, in theory, be needed for the current members. The yellow bars represent the Present Value of Accrued Benefits (PVAB) which is the value of all benefits accrued through the valuation date.

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ACTUARIAL VALUATION AS OF JUNE 30, 2007**

**SECTION I
BOARD SUMMARY**

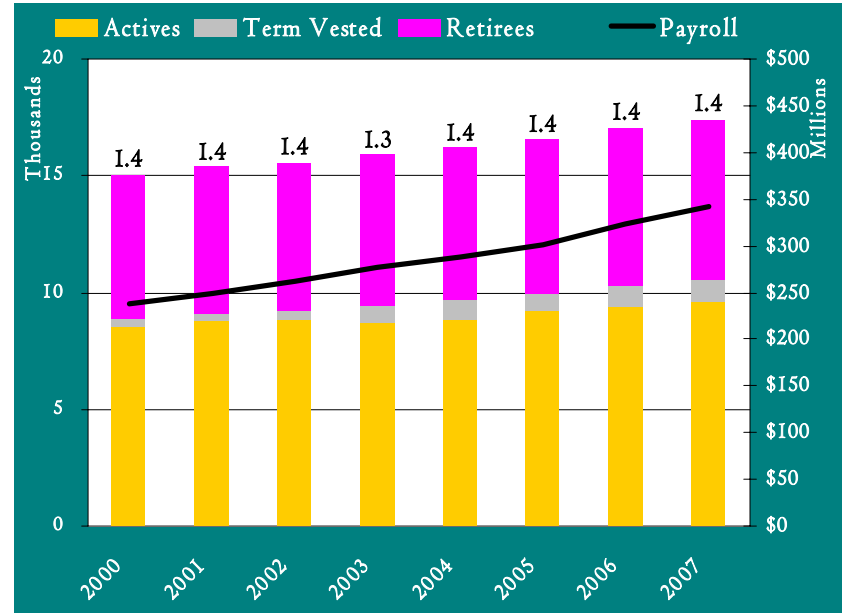
Contributions



The stacked bars in this graph show the contributions made by both the PLDs and the members in dollar terms. The black line shows the aggregate calculated PLD contribution rate as a percent of payroll and the red, dotted line shows the corridor contribution rate which was actually charged.

The member contribution rate is set by statute, depending on the plan in which the member participates. The employer contribution rate paid by each PLD is set by this valuation and varies according to the plan in which covered members participate. Some PLDs have an initial charge or credit in addition to the percent of payroll contribution. The large dollar amount contributed in FY 2002 was due to several PLDs paying off their IUUAL amounts.

Participant Trends



The above chart shows the number of actives, terminated vested and retired members covered by the Consolidated Plan. The black line indicates growth in the covered payroll of actives in this Plan.

There has been about 1.5% per year growth in the active and a 1.6% per year growth in the retired members of the Plan. The terminated vesteds group has shown the most growth, averaging 19% per year.

As with many funds in this country, there has been a steady growth in the number of retired members as the Plan has matured. The labels above each bar show the “support ratio” defined as the number of active members per retiree. We anticipate this support ratio will begin to decline as the baby boom generation enters retirement. The valuation process takes this trend into account and the projections on the next two pages show that the assets will be sufficient to meet this growing demand.

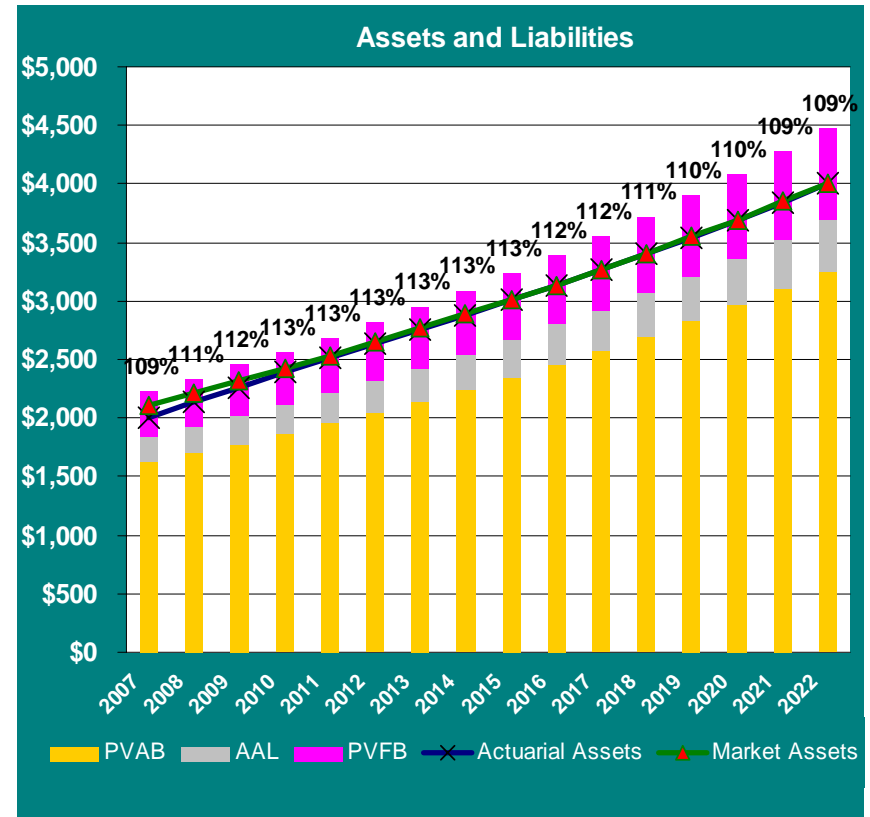
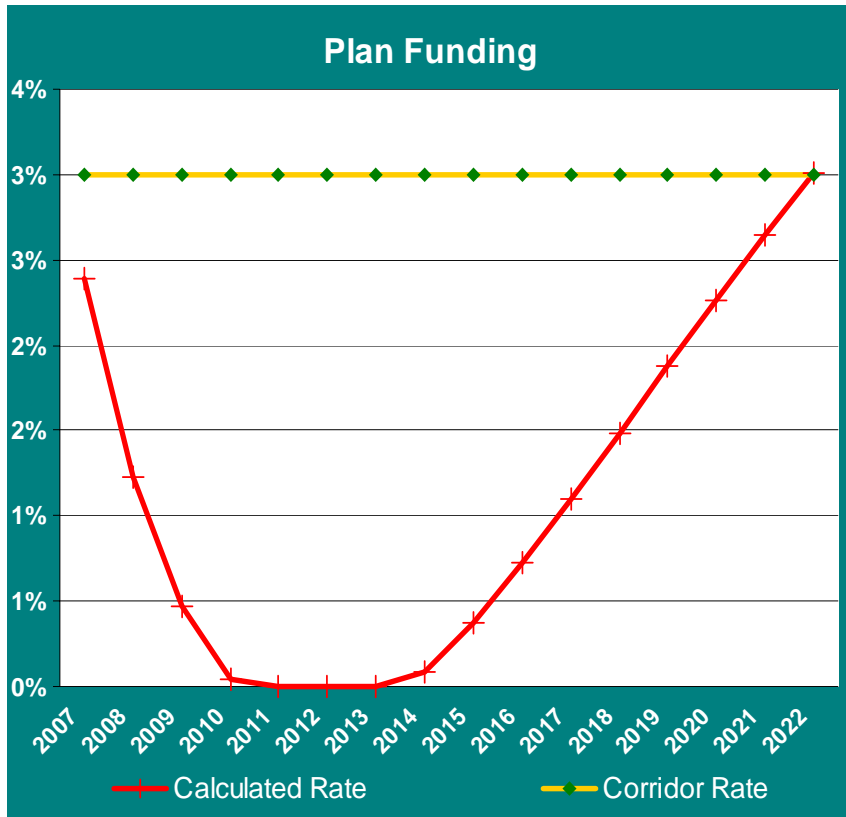
SECTION I
 BOARD SUMMARY

Projections

Base Line Projections

The two charts below show the expected progress of the Plan over the next 15 years assuming the Plan's assets earn 7.75% on their market value. The chart entitled "Plan Funding" shows the Plan staying within the corridor (if all other actuarial assumptions are met as well as the 7.75% interest rate). The red line shows the actuarially calculated rate if the corridor were not in place.

The Assets and Liabilities chart shows the projected funding status over the next decade. The current contribution rate structure is assumed to remain in place. The Plan's funded status is projected to increase from the current level of 109% up to around 113%, as the rest of last year's investment gains work their way into the smoothed assets.

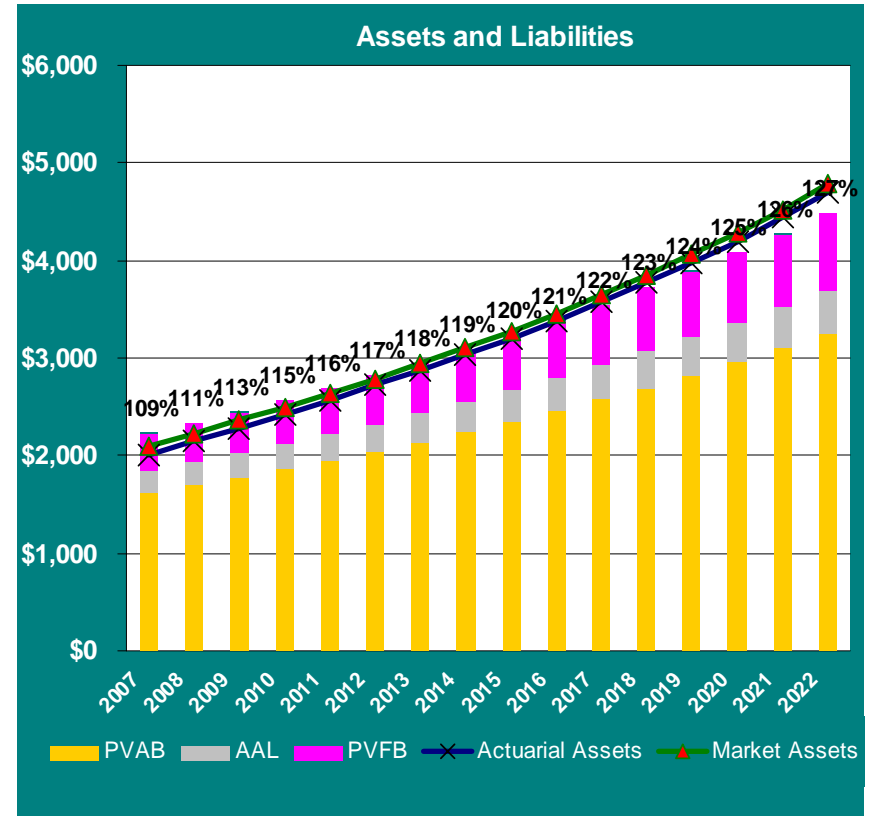
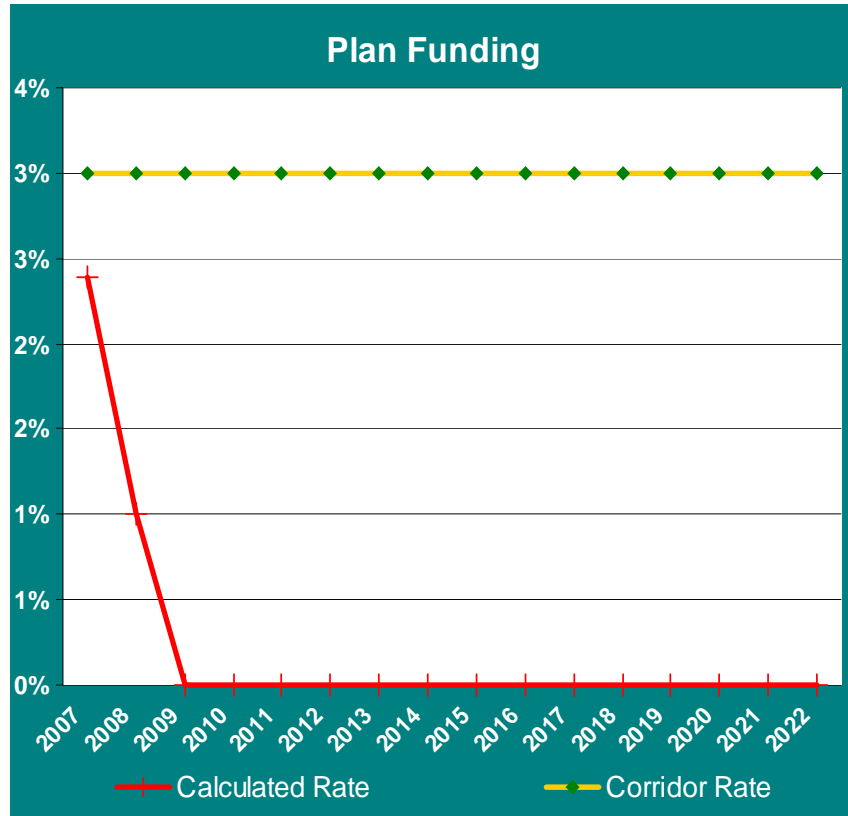


SECTION I
 BOARD SUMMARY

Projections with Asset Returns of 8.75%

The future funding of this Plan will be largely driven by the investment earnings. Due to the size of assets, as compared to liabilities, the Plan is in a highly leveraged position. This means that relatively minor changes in the market returns can have significant effects on the Plan's status. The next two charts show what the next 15 years would look like with a 8.75% annual return in each year.

The aggregate contribution rate produced by the valuation process would drop to zero but given the corridor funding approach used in this Plan, the rates would remain constant until the funded ratio exceeds 130%.



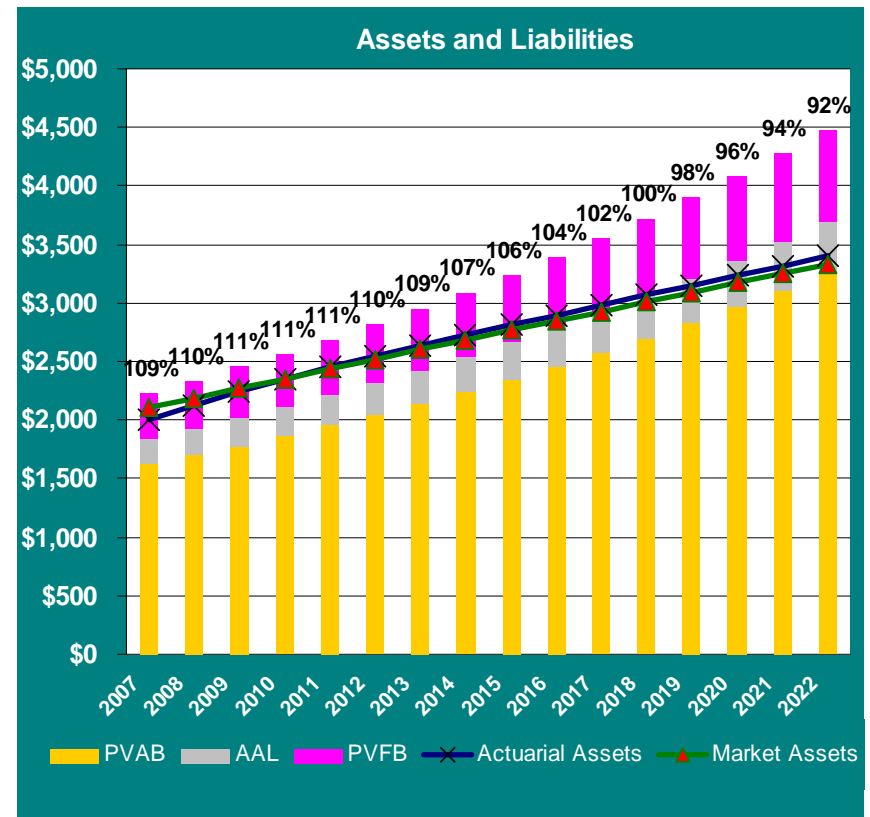
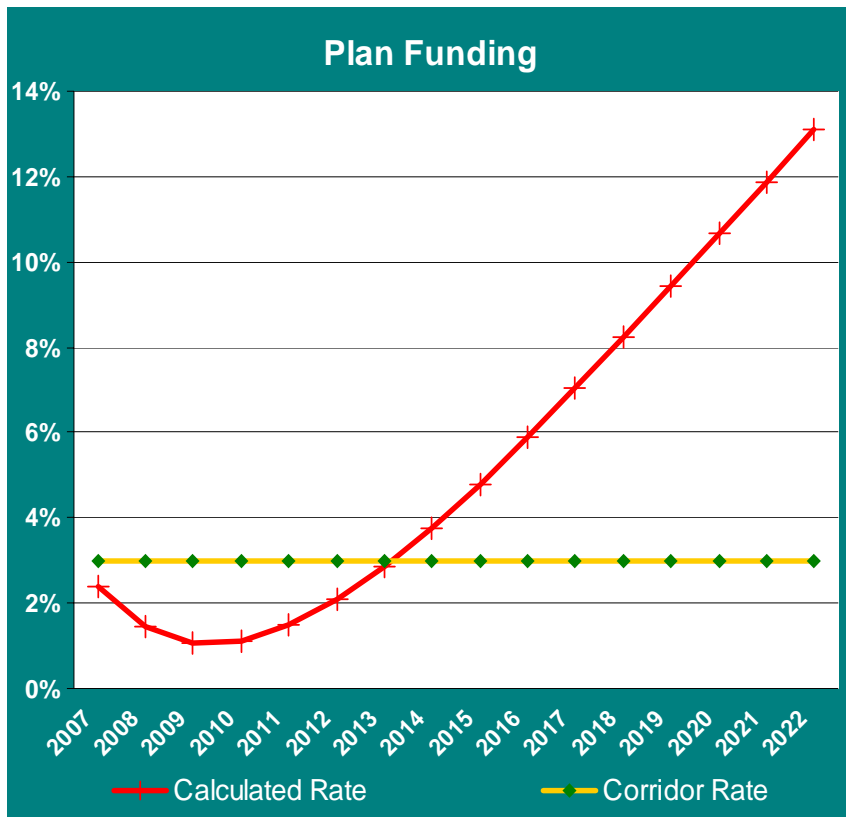
**CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
ACTUARIAL VALUATION AS OF JUNE 30, 2007**

**SECTION I
BOARD SUMMARY**

Projections with Asset Returns of 6.75%

If the assets were to return an average of 6.75% per year over the next 15 years, the Plan's funded status would still remain inside the 90%-130% corridor producing a 3% rate for the entire period shown.

The funded ratio would fall to 92% without taking corrective action sooner than the current mechanism allows. Given the highly volatile nature of funding (i.e., small changes in investment return can have large impacts on these projections), we recommend maintaining the current rates and continuing to monitor projections.



CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
ACTUARIAL VALUATION AS OF JUNE 30, 2007

**SECTION I
BOARD SUMMARY**

| Summary of Principal Results PLD Consolidated Retirement Plan | | | |
|--|----------------------|----------------------|-----------------|
| Valuation as of: | Total | | |
| | June 30, 2006 | June 30, 2007 | % Change |
| <u>Participant Counts</u> | | | |
| Actives | 9,347 | 9,587 | 2.6% |
| Retired Members | 5,118 | 5,182 | 1.3% |
| Beneficiaries of Retired Members | 1,045 | 1,056 | 1.1% |
| Survivors of Deceased Members | 228 | 237 | 3.9% |
| Disabled Members | 386 | 397 | 2.8% |
| Terminated Vested Members | <u>932</u> | <u>967</u> | 3.8% |
| Total Membership | 17,056 | 17,426 | 2.2% |
| Annual Salaries of Active Members | \$ 323,834,104 | \$ 342,528,740 | 5.8% |
| Annual Retirement Allowances for Retired Members, Beneficiaries, Survivors and Disabled Members | \$ 76,975,417 | \$ 82,159,217 | 6.7% |
| <u>Assets and Liabilities</u> | | | |
| <u>Funding Liability</u> | | | |
| Actuarial Accrued Liability | \$ 1,720,129,740 | \$ 1,838,974,922 | 6.9% |
| Actuarial Value of Assets | <u>1,846,304,483</u> | <u>2,001,713,785</u> | 8.4% |
| Unfunded Actuarial Liability | \$ (126,174,743) | \$ (162,738,863) | (29.0%) |
| Unpooled Portion (IUUAL) | <u>14,065,279</u> | <u>12,996,283</u> | (7.6%) |
| Pooled Portion (PUAL) | \$ (140,240,022) | \$ (175,735,146) | (25.3%) |
| Actuarial Liability Funding Ratio | 107% | 109% | |
| <u>FASB Accounting Liability</u> | | | |
| Accrued Benefit Liability | \$ 1,511,362,184 | \$ 1,620,483,839 | 7.2% |
| Market Value of Assets | <u>1,846,054,077</u> | <u>2,104,369,171</u> | 14.0% |
| Unfunded Accrued Benefit Liability | \$ 0 | \$ 0 | 0.0% |
| Accrued Benefit Funding Ratio | 122% | 130% | |

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
ACTUARIAL VALUATION AS OF JUNE 30, 2007

**SECTION I
BOARD SUMMARY**

| Summary of Principal Plan Results PLD Consolidated Retirement Plan Regular Plans, AC, AN & BC | | | |
|--|----------------------|----------------------|-----------------|
| Valuation as of: | June 30, 2006 | June 30, 2007 | % Change |
| <u>Participant Counts</u> | | | |
| Actives | 7,334 | 7,412 | 1.1% |
| Retired Members | 3,558 | 3,595 | 1.0% |
| Beneficiaries of Retired Members | 836 | 849 | 1.6% |
| Survivors of Deceased Members | 209 | 214 | 2.4% |
| Disabled Members | 300 | 309 | 3.0% |
| Terminated Vested Members | 910 | 939 | 3.2% |
| Total Membership | 13,147 | 13,318 | 1.3% |
| Annual Salaries of Active Members | \$ 230,744,858 | \$ 239,786,240 | 3.9% |
| Annual Retirement Allowances for Retired Members, Beneficiaries, Survivors and Disabled Members | \$ 44,086,329 | \$ 47,217,078 | 7.1% |
| <u>Assets and Liabilities</u> | | | |
| <u>Funding Liability</u> | | | |
| Actuarial Accrued Liability | \$ 1,014,134,819 | \$ 1,079,123,528 | 6.4% |
| Actuarial Value of Assets | 1,109,997,353 | 1,174,557,326 | 5.8% |
| Unfunded Actuarial Liability | \$ (95,862,534) | \$ (95,433,798) | 0.4% |
| Unpooled Portion (IUUAL) | 9,390,379 | 8,553,401 | (8.9%) |
| Pooled Portion (PUAL) | \$ (105,252,914) | \$ (103,987,199) | 1.2% |
| Actuarial Liability Funding Ratio | 109% | 109% | |
| <u>FASB Accounting Liability</u> | | | |
| Accrued Benefit Liability | \$ 878,202,861 | \$ 940,361,391 | 7.1% |
| Market Value of Assets | 1,109,846,809 | 1,234,793,029 | 11.3% |
| Unfunded Accrued Benefit Liability | \$ 0 | \$ 0 | 0.0% |
| Accrued Benefit Funding Ratio | 126% | 131% | |

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
ACTUARIAL VALUATION AS OF JUNE 30, 2007

**SECTION I
BOARD SUMMARY**

| Valuation as of: | Summary of Principal Plan Results PLD Consolidated Retirement Plan Special Plans 1C-4C & 1N-4N | | |
|--|---|----------------------|-----------------|
| | June 30, 2006 | June 30, 2007 | % Change |
| <u>Participant Counts</u> | | | |
| Actives | 2,013 | 2,175 | 8.0% |
| Retired Members | 1,560 | 1,587 | 1.7% |
| Beneficiaries of Retired Members | 209 | 207 | (1.0%) |
| Survivors of Deceased Members | 19 | 23 | 21.1% |
| Disabled Members | 86 | 88 | 2.3% |
| Terminated Vested Members | <u>22</u> | <u>28</u> | 27.3% |
| Total Membership | 3,909 | 4,108 | 5.1% |
| Annual Salaries of Active Members | \$ 93,089,246 | \$ 102,742,500 | 10.4% |
| Annual Retirement Allowances for Retired Members, Beneficiaries, Survivors and Disabled Members | \$ 32,889,088 | \$ 34,942,139 | 6.2% |
| <u>Assets and Liabilities</u> | | | |
| <u>Funding Liability</u> | | | |
| Actuarial Accrued Liability | \$ 705,994,921 | \$ 759,851,394 | 7.6% |
| Actuarial Value of Assets | <u>736,307,130</u> | <u>827,156,459</u> | 12.3% |
| Unfunded Actuarial Liability | \$ (30,312,209) | \$ (67,305,065) | (122.0%) |
| Unpooled Portion (IUUAL) | <u>4,674,900</u> | <u>4,442,882</u> | (5.0%) |
| Pooled Portion (PUAL) | \$ (34,987,108) | \$ (71,747,947) | (105.1%) |
| Actuarial Liability Funding Ratio | 104% | 109% | |
| <u>FASB Accounting Liability</u> | | | |
| Accrued Benefit Liability | \$ 633,159,323 | \$ 680,122,448 | 7.4% |
| Market Value of Assets | <u>736,207,268</u> | <u>869,576,144</u> | 18.1% |
| Unfunded Accrued Benefit Liability | \$ 0 | \$ 0 | 0.0% |
| Accrued Benefit Funding Ratio | 116% | 128% | |

SECTION II ASSETS

Pension program assets play a key role in the financial operation of the Program and in the decisions the Trustees make with respect to future deployment of those assets. The level of assets, the allocation of assets among asset classes, and the methodology used to measure assets will likely impact benefit levels, PLD Contributions, and the ultimate security of participants' benefits.

The assets of the Program include amounts contributed for all Programs for which the System is the Plan Sponsor, namely, the State Employee and Teacher Program, the Judicial Retirement Program, the Legislative Retirement Program, the Participating Local District Retirement Program, which includes the Consolidated Plan for Participating Local Districts (PLDs), along with several plans for PLDs who withdrew from the System, as the assets of all these programs are co-mingled for investment purposes. In performing the annual valuation, the actuarial value of assets that is developed reflects all defined benefit plan assets and subsequently it is allocated across all of the defined benefit plans included in the programs administered by MainePERS.

In this section, we present detailed information on Plan assets including:

- **Disclosure** of assets at June 30, 2006 and June 30, 2007;
- Statement of the **changes** in market values during the year;
- Development of the **Actuarial Value of Assets**;
- **Allocation** of Actuarial Value to subplans;
- Assessment of **investment performance**; and
- Projection of expected **cashflows** for the next ten years.

Disclosure

The market value of assets represents a “snap-shot” or “cash-out” value which provides the principal basis for measuring financial performance from one year to the next. Market values, however, can fluctuate widely with corresponding swings in the marketplace. Because these fluctuations would result in volatility in the resulting contributions if the market value were used, unadjusted, in the valuation process, an actuarial value is developed.

The actuarial value is based on the market value that has been smoothed. This actuarial value becomes the actuary's best estimate of long-term asset values and is used for evaluating the Program's ongoing ability to meet its obligations.

Current actuarial methods employed in this Program set the actuarial value equal to the expected value plus one-third of the difference between the actual market value of assets and the expected value of assets. The expected value of assets takes the prior year's actuarial value of assets and adjusts it for contributions, benefit payments, and expected interest earnings at the assumed 7.75% rate.

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
ACTUARIAL VALUATION AS OF JUNE 30, 2007

**SECTION II
ASSETS**

| Changes in Market Value of Total Defined Benefit Plan Assets (All Programs) | | |
|---|------------------|--------------------------|
| Value of Assets – June 30, 2006 | | \$ 9,529,306,066 |
| <u>Additions</u> | | |
| Contributions: | | |
| Employer Contributions | \$ 312,302,291 | |
| Employee Contributions | 155,061,293 | |
| Transfer | (5,354) | |
| Total Contributions | | \$ 467,358,230 |
| Investment Income: | | |
| Net Appreciation (Depreciation) in Fair Value of Investments | \$ 1,561,176,288 | |
| Interest on Bank Balances | 1,486,502 | |
| Total Investment Income | | \$ 1,562,662,790 |
| Investment Activity Expenses: | | |
| Management Fees | \$ (23,518,118) | |
| Investment Related Expense | (214,212) | |
| Banking Fees | (64,019) | |
| Total Investment Activity Expenses | | \$ (23,796,348) |
| Net Income from Investing Activities | | \$ 1,538,866,442 |
| Total Additions | | \$ 2,006,224,672 |
| <u>Deductions</u> | | |
| Retirement Benefits | \$ (483,900,828) | |
| Disability Benefits | (51,473,506) | |
| Survivor Benefits | (5,862,639) | |
| Refunds and Other Expenses | (21,938,751) | |
| Total Deductions | | \$ (563,177,268) |
| <u>Total</u> | | |
| Net Increase (Decrease) | | \$ 1,443,047,404 |
| Value of Assets – June 30, 2007 | | \$ 10,972,353,470 |

**CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
ACTUARIAL VALUATION AS OF JUNE 30, 2007**

**SECTION II
ASSETS**

| Development of Actuarial Value of Assets (All Programs) as of June 30, 2007 | |
|---|--------------------------|
| 1. Actuarial Value of Assets at June 30, 2006 | \$ 9,530,598,662 |
| 2. Amount in (1) with Interest to June 30, 2007 | 10,269,220,057 |
| 3. Employer and Member Contributions for the Plan Year Ended June 30, 2007 | 467,358,230 |
| 4. Interest on Contributions Assuming Received Uniformly Throughout the Year to June 30, 2007 | 17,772,220 |
| 5. Disbursements from Trust Except Investment Expenses, July 1, 2006 through June 30, 2007 | (563,177,268) |
| 6. Interest on Disbursements Assuming Payments Made Uniformly throughout the Year to June 30, 2007 | <u>(21,700,176)</u> |
| 7. Expected Value of Asset at June 30, 2007 = (2) + (3) + (4) + (5) + (6) | \$ 10,169,473,063 |
| 8. Actual Market Value of Assets at June 30, 2007 | <u>\$ 10,972,353,470</u> |
| 9. Excess of (8) Over (7) | 802,880,407 |
| 10. Actuarial Value of Assets at June 30, 2007 = (7) + 33⅓% of (9) | \$ 10,437,099,865 |

SECTION II ASSETS

Actuarial Value of Assets

The Actuarial Value of Assets represents a “smoothed” value developed by the actuary to reduce, or eliminate, volatile contribution rates which could develop from short-term fluctuations in the Market Value of Assets. For this Program, the Actuarial Value has been calculated by adding one-third of the difference between actual Market Value and Expected Value, to the Expected Value. The previous table illustrates the calculation of Actuarial Value of Assets for the June 30, 2007 valuation.

Allocation of Actuarial Value of Assets

The assets for all of the defined benefit plans in the Programs administered by MainePERS are commingled for investment purposes. Other assets are in effect commingled in that their value is allocated among all of the programs. The actuarial smoothing methodology is applied on the market value of total assets. This produces an asset ratio which is then applied to the market value of assets attributable to each of the programs. The asset value derived in this valuation is 0.95122 ($\$10,437,099,865 \div \$10,972,353,470$). The allocation of actuarial value of assets to each of the System’s retirement programs is shown in the following chart.

| Allocation of Actuarial Value of Assets as of June 30, 2007 | | |
|--|-------------------------|-------------------------|
| | Market Value | Actuarial Value |
| Teachers | \$ 5,561,771,834 | \$ 5,290,457,349 |
| State (Regular & Special) | 3,106,609,361 | 2,955,062,67 |
| Judges | 50,698,214 | 48,225,053 |
| Legislators | 9,168,846 | 8,721,571 |
| Participating Local Districts (Consolidated & Non-Consolidated) | <u>2,244,105,215</u> | <u>2,134,633,222</u> |
| Total Fund | \$10,972,353,470 | \$10,437,099,865 |

Investment Performance

The Market Value of Assets returned 16.23% during FY 2007. This is significantly higher than the assumed return of 7.75%. The returns in FY 2006 and FY 2005 were 7.46% and 11.75% respectively.

On an actuarial value of assets basis, the return for FY 2007 was 10.57%. This return is less than the return on a market value basis, but exceeds the 7.75% assumption and therefore gives rise to an investment gain this year.

SECTION II
ASSETS

Projection of Program's Benefit Payments and Contributions

| FY Ending June 30, | Expected Benefit Payments | Expected PLD Contributions (based on Corridor Method) | Expected Member Contributions | Total Expected Contributions |
|--------------------|---------------------------|---|-------------------------------|------------------------------|
| 2008 | \$ 91,370,000 | \$ 10,276,000 | \$ 22,504,000 | \$ 32,780,000 |
| 2009 | 99,059,000 | 10,764,000 | 23,573,000 | 34,337,000 |
| 2010 | 106,628,000 | 11,275,000 | 24,693,000 | 35,968,000 |
| 2011 | 114,004,000 | 11,811,000 | 25,866,000 | 37,677,000 |
| 2012 | 121,187,000 | 12,372,000 | 27,094,000 | 39,466,000 |
| 2013 | 128,853,000 | 12,960,000 | 28,381,000 | 41,341,000 |
| 2014 | 137,097,000 | 13,575,000 | 29,729,000 | 43,304,000 |
| 2015 | 145,346,000 | 14,220,000 | 31,142,000 | 45,362,000 |
| 2016 | 153,291,000 | 14,895,000 | 32,621,000 | 47,516,000 |
| 2017 | 160,558,000 | 15,603,000 | 34,170,000 | 49,773,000 |

We provide this projection of cashflows in and out of the Program for informational purposes. The Board may share these projections with its investment advisor for consideration of the growing gap between cash coming in from PLD and member contributions and cash being paid out to provide benefits. The chart shows this gap is expected to widen as more of the baby boom generation joins the retiree payroll.

The expected benefit payments were developed on the basis of those currently included in this valuation and on the assumption that the actuarial assumptions disclosed in Appendix D will be exactly met. Actual benefit payments will vary if members retire sooner or later than assumed and if salary increases and projected future post-retirement COLAs differ from those assumed. The projections exclude any

assumption about new hires, whose experience will eventually lead to increased benefit payments. However, we do not feel this exclusion will materially impact the projections for the time period shown.

Expected contributions are based on the current covered payroll and the frozen aggregate PLD contribution rate of 3% of payroll. We have assumed that payroll will increase by 4.75% per year in the projection period and that the rate will remain constant.

The projection of member contributions is similarly based on a 4.75% per year increase in covered payroll multiplied by the average aggregate member contribution rate of 6.57%.

SECTION III LIABILITIES

In this section, we present detailed information on Plan liabilities including:

- **Disclosure** of Plan liabilities at June 30, 2006 and June 30, 2007; and
- Statement of **changes** in these liabilities during the year.

Disclosure

Several types of liabilities are calculated and presented in this report. Each type is distinguished by the purpose for which the figures are ultimately used.

- **Present Value of Future Benefits (PVB):** Used for analyzing the overall financial outlook of the Plan, this represents the amount of money needed today to fully pay off all future benefits of the Plan, assuming participants continue to accrue benefits under the current Plan provisions.
- **Actuarial Liability:** Used for funding calculations and GASB disclosures, this liability is calculated taking the Present Value of Future Benefits above and subtracting the obligations that are assigned to future years. This offset is equal to the present value of future Member Contributions and future Employer Normal Costs under an acceptable actuarial funding method. This method is referred to as the **Entry Age Normal** funding method.
- **Present Value of Accrued Benefits:** Used for communicating the current level of liabilities, this liability represents the total amount of money needed today to fully pay off the current accrued obligations of the Plan, assuming no future accruals of benefits. These liabilities are also required for accounting purposes (FAS 35) and used to assess whether the Plan can meet its current benefit commitments.

The following table discloses each of these liabilities for the current and prior years' valuations. With respect to the Actuarial Liability and the Present Value of Accrued Benefits, a subtraction of the appropriate value of Plan assets yields, for each respective type, a **net surplus** or an **unfunded liability**.

The Present Value of Benefits (PVB) is compared to the current market value of assets, the expected future value of member contributions and the expected future value of PLD contributions assuming the valuation rate remains constant. The difference between the PVB and these anticipated resources indicates either a shortfall or an expected surplus that may develop over time. This surplus/shortfall indicates the ability of the reduced 3% aggregate contribution rate to fund benefits in the future.

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
ACTUARIAL VALUATION AS OF JUNE 30, 2007

**SECTION III
LIABILITIES**

| Disclosure of Liabilities | | |
|--|-------------------------|-------------------------|
| | June 30, 2006 | June 30, 2007 |
| Present Value of Benefits (PVB) | | |
| Active Participant Benefits | \$ 1,210,540,317 | \$ 1,292,445,559 |
| Retiree Benefits | 850,494,792 | 901,057,359 |
| Terminated Vested and Inactive Members | <u>33,520,273</u> | <u>37,842,028</u> |
| Total PVB | \$ 2,094,555,382 | \$ 2,231,344,946 |
| | | |
| Market Value of Assets (MVA) | 1,846,054,077 | 2,104,369,171 |
| Future Employee Contributions | 165,337,460 | 173,184,673 |
| Future PLD Contributions at 3% Fixed Rate | 75,387,264 | 78,848,835 |
| Projected (Surplus)/Shortfall | <u>7,776,581</u> | <u>(125,057,733)</u> |
| Total Resources | \$ 2,094,555,382 | \$ 2,231,344,946 |
| | | |
| Actuarial Liability | | |
| Present Value of Benefits (PVB) | \$ 2,094,555,382 | \$ 2,231,344,946 |
| Present Value of Future Normal Costs (PVFNC) | | |
| Employer Portion | 209,088,182 | 219,185,351 |
| Employee Portion | <u>165,337,460</u> | <u>173,184,673</u> |
| Actuarial Liability (AL = PVB – PVFNC) | \$ 1,720,129,740 | \$ 1,838,974,922 |
| Actuarial Value of Assets (AVA) | 1,846,304,483 | 2,001,713,785 |
| Net (Surplus)/Unfunded (AL – AVA) | \$ (126,174,743) | \$ (162,738,863) |
| | | |
| Present Value of Accrued Benefits | | |
| Present Value of Benefits (PVB) | \$ 2,094,555,382 | \$ 2,231,344,946 |
| Present Value of Future Benefit Accruals (PVFBA) | <u>583,193,198</u> | <u>610,861,107</u> |
| Accrued Liability (PVAB = PVB – PVFBA) | \$ 1,511,362,184 | \$ 1,620,483,839 |
| Market Value of Assets (MVA) | 1,846,054,077 | 2,104,369,171 |
| Net (Surplus)/Unfunded (PVAB – MVA) | \$ (334,691,893) | \$ (483,885,332) |

SECTION III LIABILITIES

Changes in Liabilities

Each of the liabilities disclosed in the prior table is expected to change at each subsequent valuation. The components of these changes, depending upon which liability is analyzed, can include:

- New hires since the last valuation
- Benefits accrued since the last valuation
- Plan amendments increasing benefits
- Passage of time which adds interest to the prior liability
- Benefits paid to retirees since the last valuation
- Participants retiring, terminating, or dying at rates different than expected
- A change in actuarial or investment assumptions
- A change in the actuarial funding method

Unfunded liabilities will change because of all of the above, and also due to changes in Plan assets resulting from:

- PLD contributions being different than expected
- Investment earnings being different than expected
- A change in the method used to measure Plan assets

In each valuation, we report on those elements of change which are of particular significance, potentially affecting the long-term financial outlook of the Plan. Below we present key changes in liabilities since the last valuation.

| | Present Value of Benefits | Actuarial Liability | Present Value of Accrued Benefits |
|--|----------------------------------|----------------------------|--|
| Liabilities 06/30/2006 | \$ 2,094,555,382 | \$ 1,720,129,740 | \$ 1,511,362,184 |
| Liabilities 06/30/2007 | 2,231,344,946 | 1,838,974,922 | 1,620,483,839 |
| Liability Increase (Decrease) | 136,789,564 | 118,845,182 | 109,121,655 |
| Change Due to: | | | |
| Plan Amendment | \$ N/C | \$ 898,782 | \$ 898,782 |
| Assumption Change | -- | -- | -- |
| Actuarial (Gain)/Loss | N/C | 20,024,675 | N/C |
| Benefits Accumulated and Other Sources | 136,789,564 | 97,921,725 | 109,121,655 |

SECTION IV CONTRIBUTIONS

General Comments

Under established procedures, employer contribution rates based on this June 30, 2007 actuarial valuation are used to determine Fiscal Year 2009 contributions. In this context, the term “employer contribution rate” means the percentage that is applied by each PLD to its active member payroll to determine the PLD’s actual employer contribution amount.

In addition to the applicable employer contribution rate, each individual PLD will make a dollar payment (or receive a dollar credit) based on its IUUAL to be added to (or subtracted from) the amount derived by applying the employer contribution rate to the participant payroll.

Employees are required to contribute to the Plans. Employee contribution rates are detailed in Appendix C.

Description of Rate Components

The Entry Age normal funding method was used to develop the employer contribution rates in this section. Under this funding method, as with most other actuarial funding methods, a total contribution rate is determined which consists of two elements: the normal cost rate and the pooled unfunded actuarial liability rate.

Normal Cost Rate

For each of the Regular and Special Plans in the Consolidated Plan, an individual entry age normal cost rate is determined for a typical new entrant. The normal cost is determined by the following steps. First, an individual normal cost rate is determined by taking the value, as of entry age into a plan, of a representative

new entrant’s projected future benefits. Second, this value is then divided by the value, also at entry age, of the member’s expected future salary. Finally, the rate is reduced by the member contribution rate to produce the employer normal contribution rate.

Pooled Unfunded Actuarial Liability Rate

The unfunded actuarial liability under the Entry Age Normal method equals the present value, at time of valuation, of future benefits less the present value of future normal costs, future member contributions, future IUUAL payments and current assets. Under the Consolidated Plan, a Pooled Unfunded Actuarial Liability Rate is calculated for the Regular Plans as a group and for the Special Plans as a group. The rate for each group is then allocated to each plan within the Regular Plans and to those within the Special Plans, respectively, on the basis of total normal cost plus employee contributions for each such plan. That is, those plans which constitute a larger portion of the overall liability will pay a larger portion of the pooled UAL rate or receive a larger credit if the rate is negative. The pooled UAL rates are calculated for the Regular and Special Plans in the aggregate in Table IV-1.

IUUAL Payments/(Credits)

In addition to employer contributions required under the Consolidated Plan, each individual PLD in the Consolidated Plan that came into the Plan with liabilities in excess of assets will make payments on its IUUAL until it is fully paid off. Where IUUAL payments are due, each PLD makes payment of a specific dollar amount. Where a PLD had, at the time of entry into the Consolidated Plan, surplus assets, the PLD uses a portion of the surplus toward payment of its employer contributions to the Consolidated Plan. Credit transactions, also of specific dollar amounts, are accomplished by MainePERS accounting entries.

SECTION IV CONTRIBUTIONS

Employer Contribution Rate Summary

In Table IV-2, we present employer contribution rates applicable for determining the Fiscal Year 2009 contributions to the Plan, using the cost methods described above. These were developed using the actuarial assumptions and methods described in Appendix D.

New Entrant/Re-Entrant Rate

While the above description of the employer rate components and calculation applies to all PLDs' rates, there is an additional rate-calculation step for PLDs that join the Consolidated Plan after the three-year "window period" that was in place at the outset of the Plan and for PLDs that rejoin the Plan, having previously withdrawn from it.

An entity that becomes a PLD, having not before been one, and joins the Consolidated Plan (as all such new PLDs must) is required to pay a new entrant rate to the Plan, as is a PLD that existed when the Plan was established but did not then join the Plan (a so-called "withdrawn" PLD), and thereafter does so. The new entrant rate is calculated as the difference between the Normal Cost and the Total Rate. The Normal Cost and the Total Rate are those in effect at the time the PLD enters the Plan, for the plan or plans that the PLD adopts. The new entrant rate must be paid for a period of three years, after which the PLD henceforth pays the then-applicable Total Rate.

A PLD that joined the Consolidated Plan, subsequently becomes a "withdrawn" PLD, and later rejoins the Plan may be required to pay a "new" entrant rate (more properly called a re-entrant rate in these circumstances). The rate is calculated as stated above and is in effect for the rejoining PLD for the difference between the

number of years that the PLD previously participated in the Consolidated Plan prior to withdrawal and three years. At the end of the established period, the PLD henceforth pays the then-applicable Total Rate.

The new entrant/re-entrant rate takes into account the fact that in the first three years of the Consolidated Plan's existence, then-existing PLDs who joined the Plan paid a Normal Cost rate that could only be an estimated rate until the population of Plan participants at the end of the three-year period was established. The population having been established, the Normal Cost rate could actuarially be calculated. The actuarial Normal Cost rate proved to be lower than the estimated rate, which meant that those PLDs had made higher employer contributions than necessary during the three-year period, thereby increasing the Plan's assets. Later-joining PLDs benefit in terms of the employer contribution rate from the higher Plan assets that resulted from the earlier joining PLDs' larger than necessary contributions. The new entrant/re-entrant rate is intended to create equivalence, if not perfect equality, among all PLDs as to the degree to which they participate in building Plan assets.

The new entrant/re-entrant rate is in addition to any IUUAL payment required from the PLD.

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
ACTUARIAL VALUATION AS OF JUNE 30, 2007

**SECTION IV
CONTRIBUTIONS**

**Table IV-1
Consolidated Plan for Participating Local Districts
of the Maine Public Employees Retirement System
June 30, 2007**

| | Development of Pooled UAL Rate | | |
|--|---------------------------------------|----------------------|--------------------|
| | Regular Plans | Special Plans | Total |
| 1. Present Value of Benefits | \$ 1,319,345,285 | \$ 911,999,661 | \$ 2,231,344,946 |
| 2. Present Value of Future Contributions | | | |
| a. Employer Normal Cost | 129,247,725 | 89,937,626 | 219,185,351 |
| b. Employee Contributions | <u>110,974,032</u> | <u>62,210,641</u> | <u>173,184,673</u> |
| 3. Actuarial Accrued Liability (1) – (2) | \$ 1,079,123,528 | \$ 759,851,394 | \$ 1,838,974,922 |
| 4. Actuarial Value of Assets | | | |
| a. Total Invested Assets | \$ 1,231,200,230 | \$ 852,295,319 | \$ 2,083,495,548 |
| b. IUUAL Surpluses in Individual PLD Accounts | <u>56,642,904</u> | <u>25,138,860</u> | <u>81,781,763</u> |
| c. Valuation Assets (a) – (b) | \$ 1,174,557,326 | \$ 827,156,459 | \$ 2,001,713,785 |
| 5. Unfunded Actuarial Accrued Liability | | | |
| a. Total Unfunded Liability (3) – (4c) | \$ (95,433,798) | \$ (67,305,065) | \$ (162,738,863) |
| b. Individual PLD Unpooled Liability (IUUAL) | <u>8,553,401</u> | <u>4,442,882</u> | <u>12,996,283</u> |
| c. Pooled Unfunded Actuarial Liability (a) – (b) | \$ (103,987,199) | \$ (71,747,947) | \$ (175,735,146) |
| 6. Amortization over 15 Years | \$ (11,963,961) | \$ (8,254,762) | \$ (20,218,723) |
| 7. Payroll | \$ 239,786,240 | \$ 102,742,500 | \$ 342,528,740 |
| 8. Pooled Unfunded Actuarial Liability Contribution Rate | (5.0%) | (8.0%) | (5.9%) |

SECTION IV
 CONTRIBUTIONS

Table IV-2
Consolidated Plan for Participating Local Districts
of the Maine Public Employees Retirement System
Employer Contribution Rates*
Fiscal Year 2009

| | Normal Cost** | Regular Plans | Special Plans | Total Rates |
|----------------------------------|--------------------------|--------------------------|--------------------------|------------------------|
| <u>Plans with COLA</u> | | | | |
| Regular Employees Plan AC | 7.9% | (5.1%) | | 2.8% |
| Regular Employees Plan BC | 5.3% | (3.6%) | | 1.7% |
| Special Plan 1C | 16.8% | | (10.3%) | 6.5% |
| Special Plan 2C | 9.6% | | (5.6%) | 4.0% |
| Special Plan 3C | 12.6% | | (7.3%) | 5.3% |
| Special Plan 4C | 7.9% | | (4.4%) | 3.5% |
| <u>Plans with No COLA</u> | | | | |
| Regular Employees Plan AN | 4.1% | (2.6%) | | 1.5% |
| Special Plan 1N | 9.2% | | (5.6%) | 3.6% |
| Special Plan 2N | 4.9% | | (2.7%) | 2.2% |
| Special Plan 3N | 6.5% | | (3.6%) | 2.9% |
| Special Plan 4N | 3.6% | | (1.7%) | 1.9% |

* IUUAL payments are made in addition to these costs and IUUAL credits are taken against these costs.

** Includes costs of ancillary benefits.

SECTION V
ACCOUNTING STATEMENT INFORMATION

Statement No. 35 of the Financial Accounting Standards Board (FASB) requires the Plan to disclose certain information regarding its funded status. Statement No. 25 of the Governmental Accounting Standards Board (GASB) establishes standards for disclosure of pension information by public employee retirement systems (PERS) and governmental employers in notes to financial statements and supplementary information.

The FASB-35 disclosures provide a quasi “snap shot” view of how the Plan’s assets compare to its liabilities if contributions stopped and accrued benefit claims had to be satisfied. However, due to potential legal requirements and the possibility that alternative interest rates would have to be used to determine the liabilities, these values may not be a good indication of the amount of money it would take to buy the benefits for all members if the Plan were to terminate.

The GASB-25 actuarial accrued liability is the same as the actuarial liability amount calculated for funding purposes.

Both the present value of accrued benefits (FASB-35) and the actuarial accrued liability (GASB-25) are determined assuming that the Plan is ongoing and participants continue to terminate employment, retire, etc., in accordance with the actuarial assumptions. Liabilities are discounted at the assumed valuation interest rate of 7.75% per annum.

FASB Statement No. 35 specifies that a comparison of the present value of accrued (accumulated) benefits with the market value of the assets as of the valuation date must be provided. GASB Statement No. 25 requires the actuarial accrued liability be compared with the actuarial value of assets

for funding purposes. The relevant amounts as of June 30, 2006 and June 30, 2007 are exhibited in Table V-1. Table V-2 reconciles the FASB-35 liabilities determined as of the prior valuation June 30, 2006, to the liabilities as of June 30, 2007.

Tables V-3 through V-5 are exhibits required for the System’s Comprehensive Annual Financial Report. The GFOA recommends showing 6-10 years of experience in each of these exhibits. This report will continue to add years of experience to the charts and eventually build up to the recommended disclosure. Table V-3 shows the Notes to Required Supplementary Information. Table V-4 is a history of gains and losses in Accrued Liability, and Table V-5 is the Solvency Test which shows the portion of Accrued Liability covered by Assets.

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
ACTUARIAL VALUATION AS OF JUNE 30, 2007

SECTION V
ACCOUNTING STATEMENT INFORMATION

| Table V-1 | | |
|--|----------------------|----------------------|
| Accounting Statement Information | | |
| | June 30, 2006 | June 30, 2007 |
| A. FASB No. 35 Basis | | |
| 1. Present Value of Benefits Accrued to Date | | |
| a. Members Currently Receiving Payments | \$ 850,494,792 | \$ 901,057,359 |
| b. Vested Terminated and Inactive Members | 33,520,273 | 37,842,028 |
| c. Active Members | <u>627,347,119</u> | <u>681,584,452</u> |
| d. Total PVAB | \$ 1,511,362,184 | \$ 1,620,483,839 |
| 2. Assets at Market Value | <u>1,846,054,077</u> | <u>2,104,369,171</u> |
| 3. Unfunded Present Value of Accrued Benefits, But Not Less Than Zero | \$ 0 | \$ 0 |
| 4. Ratio of Assets to Value of Benefits (2) / (1)(d) | 122% | 130% |
| B. GASB No. 25 Basis | | |
| 1. Actuarial Liabilities | | |
| a. Members Currently Receiving Payments | \$ 850,494,792 | \$ 901,057,359 |
| b. Vested Deferred and Inactive Status Members | 33,520,273 | 37,842,028 |
| c. Active Members | <u>836,114,675</u> | <u>900,075,535</u> |
| d. Total | \$ 1,720,129,740 | \$ 1,838,974,922 |
| 2. Actuarial Value of Assets | <u>1,846,304,483</u> | <u>2,001,713,785</u> |
| 3. Unfunded Actuarial Liability | \$ (126,174,743) | \$ (162,738,863) |
| 4. Ratio of Actuarial Value of Assets to Actuarial Liability | 107% | 109% |

SECTION V
 ACCOUNTING STATEMENT INFORMATION

| Table V-2 | |
|--|---|
| Statement of Changes in Total Actuarial Present Value of All Accrued Benefits | |
| | Accumulated Benefit Obligation (FASB 35) |
| Actuarial Present Value of Accrued Benefits as of June 30, 2006 | \$ 1,511,362,184 |
| Increase (Decrease) During Years Attributable to: | |
| Passage of Time | 117,130,569 |
| Benefit Paid – FY 2007 | (82,159,217) |
| Assumption Change | 0 |
| Plan Amendment | 898,782 |
| Benefits Accrued, Other Gains/Losses | <u>73,251,521</u> |
| Net Increase (Decrease) | 109,121,655 |
| Actuarial Present Value of Accrued Benefits as of June 30, 2007 | \$ 1,620,483,839 |

SECTION V
 ACCOUNTING STATEMENT INFORMATION

Table V-3
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION

The information presented in the required supplementary schedules was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation follows.

| | |
|-------------------------------|------------------------|
| Valuation date | June 30, 2007 |
| Actuarial cost method | Entry age |
| Amortization method | Level percent open |
| Remaining amortization period | 15 years |
| Asset valuation method | 3-Year smoothed market |
| Actuarial assumptions: | |
| Investment rate of return* | 7.75% |
| Projected salary increases* | 4.50% – 9.00% |
| *Includes inflation at | 4.50% |
| Cost-of-living adjustments | 3.75% |

The actuarial assumptions used have been recommended by the actuary and adopted by the Plan's Board of Trustees based on the most recent review of the Plan's experience, completed in 2006.

The rate of employer contributions to the plan is composed of the normal cost and an amortization of the unfunded actuarial accrued liability. The normal cost is a level percent of payroll cost which, along with the member contributions, will pay for projected benefits at retirement for the average plan participant. The actuarial accrued liability is that portion of the present value of projected benefits that will not be paid by future employer normal costs or member contributions. The difference between this liability and the funds accumulated as of the same date is the unfunded actuarial accrued liability.

SECTION V
 ACCOUNTING STATEMENT INFORMATION

Table V-4
ANALYSIS OF FINANCIAL EXPERIENCE
Gain and Loss in Accrued Liability During Years Ended June 30
Resulting from Differences Between Assumed Experience and Actual Experience

| Type of Activity | <i>Gain (or Loss) for Year ending June 30, 2005</i> | <i>Gain (or Loss) for Year ending June 30, 2006</i> | <i>Gain (or Loss) for Year ending June 30, 2007</i> |
|--|---|---|---|
| Investment Income | \$ 6,722,639 | \$ 0 | \$ 55,166,394 |
| Combined Liability Experience | <u>(3,406,292)</u> | <u>\$ 18,317,866</u> | <u>(20,024,675)</u> |
| Gain (or Loss) During Year from Financial Experience | \$ 3,316,347 | \$ 18,317,866 | \$ 35,141,719 |
| Non-Recurring Items | <u>0</u> | <u>(61,699,141)</u> | <u>(898,782)</u> |
| Composite Gain (or Loss) During Year | \$ 3,316,347 | \$(43,381,275) | \$ (34,242,937) |

**CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
ACTUARIAL VALUATION AS OF JUNE 30, 2007**

**SECTION V
ACCOUNTING STATEMENT INFORMATION**

**Table V-5
SOLVENCY TEST
Aggregate Accrued Liabilities For**

| Valuation Date June 30, | (1) | (2) | (3) | Reported Assets | Portion of Accrued Liabilities Covered by Reported Assets | | |
|-------------------------------|-----------------------------------|--|--|--------------------|---|------|------|
| | Active Member Contributions | Retirees Vested Terms, Beneficiaries | Active Members (Employer Financed Portion) | | (1) | (2) | (3) |
| 2007 | \$ 270,986,236 | \$ 938,899,387 | \$ 629,089,299 | \$ 2,001,713,785 | 100% | 100% | 126% |
| 2006 | 239,876,523 | 884,015,065 | 596,238,152 | 1,846,304,483 | 100 | 100 | 121 |
| 2005 | 217,657,321 | 820,316,284 | 543,224,512 | 1,726,776,134 | 100 | 100 | 127 |
| 2004 | 195,013,387 | 772,474,507 | 524,178,904 | 1,633,016,411 | 100 | 100 | 127 |

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
ACTUARIAL VALUATION AS OF JUNE 30, 2007

**APPENDIX A
PARTICIPATING LOCAL DISTRICT PLAN ELECTIONS**

| PLD Name | PLD # | Regular Plan | Special Plan | Special Plan | COLA | Entry Date | FO COLA Date |
|--|-------|-----------------|-----------------|-----------------|------|---------------|--------------------|
| Androscoggin County | 67 | A ¹ | 1 | 2 | Yes | 7/1/1994 | |
| Androscoggin Valley Council of Governments | 231 | A | | | Yes | 7/1/1996 | |
| Aroostook County | 106 | A | | | Yes | 7/1/1994 | |
| Auburn Housing Authority | 145 | A | | | Yes | 7/1/1994 | |
| Auburn Lewiston Airport | 256 | A | | | Yes | 7/1/1996 | |
| Auburn Public Library | 43 | A | | | FO | 7/1/1996 | 7/1/2001 |
| Auburn Water and Sewer District | 52 | A | | | Yes | 7/1/1994 | |
| Augusta Sanitary District | 64 | A | | | Yes | 7/1/1994 | |
| Augusta Water District | 34 | A | | | Yes | 7/1/1994 | |
| Augusta, City of | 23 | A | 1 | 2 | Yes | 7/1/1994 | |
| Baileyville, Town of | 69 | A | 3 | | Yes | 7/1/1996 | |
| Bangor Housing Authority | 288 | A | | | Yes | 7/1/1994 | |
| Bangor Public Library | 22 | A | | | Yes | 7/1/1996 | |
| Bangor Water District | 59 | B ² | | | Yes | 7/1/1996 | |

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
ACTUARIAL VALUATION AS OF JUNE 30, 2007

**APPENDIX A
PARTICIPATING LOCAL DISTRICT PLAN ELECTIONS**

| PLD Name | PLD # | Regular Plan | Special Plan | Special Plan | COLA | Entry Date | FO COLA Date |
|--------------------------------|-------|-----------------|-----------------|-----------------|------|---------------|--------------------|
| Bangor, City of | 20 | A | 1 | 2 | Yes | 7/1/1996 | |
| Bar Harbor, Town of | 15 | A | 4 | | Yes | 7/1/1995 | |
| Bath Water District | 19 | A | | | Yes | 7/1/1994 | |
| Bath, City of | 73 | A | 2 | 3 | Yes | 7/1/1996 | |
| Belfast Water District | 132 | A | | | Yes | 7/1/1995 | |
| Belfast, City of | 35 | A | 2 | | Yes | 7/1/1996 | |
| Berwick Sewer District | 207 | A | | | Yes | 7/1/1994 | |
| Berwick, Town of | 108 | A | | | No | 7/1/1996 | |
| Bethel, Town of | 246 | A | | | Yes | 7/1/1996 | |
| Biddeford, City of | 158 | A | 3 ³ | | No | 7/1/1996 | |
| Biddeford Housing Authority | 310 | A | | | Yes | 7/1/2007 | |
| Boothbay Harbor, Town of | 146 | A | 2 | | Yes | 7/1/1996 | |
| Boothbay Region Water District | 298 | A | 2 | | Yes | 1/1/2002 | |
| Brewer Housing Authority | 248 | A | | | Yes | 7/1/1994 | |

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
ACTUARIAL VALUATION AS OF JUNE 30, 2007

**APPENDIX A
PARTICIPATING LOCAL DISTRICT PLAN ELECTIONS**

| PLD Name | PLD # | Regular Plan | Special Plan | Special Plan | COLA | Entry Date | FO COLA Date |
|---------------------------|-------|----------------|----------------|--------------|------|------------|--------------|
| Brewer, City of | 63 | A ⁴ | 2 | | Yes | 7/1/1996 | |
| Bridgton Water District | 253 | A | | | No | 7/1/1996 | |
| Brunswick Fire and Police | 292 | A | 1 | 2 | FO | 7/1/1997 | 7/1/1997 |
| Brunswick Public Library | 273 | A | | | FO | 7/1/1995 | 7/1/1995 |
| Brunswick Sewer District | 72 | A | | | Yes | 7/1/1996 | |
| Brunswick, Town of | 42 | A | | | FO | 7/1/1995 | 7/1/2000 |
| Bucksport, Town of | 130 | A | 4 ⁵ | | No | 7/1/1995 | |
| Calais, City of | 36 | A | | | FO | 7/1/1996 | 7/1/1996 |
| Camden, Town of | 8 | A | | | Yes | 7/1/1994 | |
| Caribou Police and Fire | 208 | A | 1 | 2 | No | 7/1/1996 | |
| Carrabasett Valley | 277 | A | | | FO | 7/1/1994 | 7/1/1994 |
| Chesterville, Town of | 295 | A ⁶ | | | Yes | 7/1/1999 | |
| Cheverus High School | 203 | A | 2 | | No | 7/1/1996 | |
| China, Town of | 235 | A | | | No | 7/1/1996 | |

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
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**APPENDIX A
PARTICIPATING LOCAL DISTRICT PLAN ELECTIONS**

| PLD Name | PLD # | Regular Plan | Special Plan | Special Plan | COLA | Entry Date | FO COLA Date |
|-----------------------------------|-------|-----------------|-----------------|-----------------|------|---------------|--------------------|
| Coastal Counties Workforce, Inc. | 301 | A ⁷ | | | Yes | 7/1/2003 | |
| Community School District #12 | 252 | A | | | Yes | 7/1/1996 | |
| Community School District #915 | 233 | A | | | Yes | 7/1/1995 | |
| Corinna Sewer District | 251 | A | | | No | 7/1/1996 | |
| Corinna, Town of | 217 | A | | | Yes | 7/1/1996 | |
| Cumberland County | 5 | A | | | Yes | 7/1/1996 | |
| Cumberland, Town of | 216 | A | 2C | | Yes | 7/1/1995 | |
| Dexter, Town of | 97 | A | | | Yes | 7/1/1996 | |
| Dover - Foxcroft Water District | 137 | A | | | Yes | 7/1/1994 | |
| Dover FoxcrofT, Town of | 167 | A | | | No | 7/1/1995 | |
| Durham, Town of | 234 | A | | | No | 7/1/1996 | |
| Eagle Lake Water & Sewer District | 274 | A | | | Yes | 7/1/1996 | |
| East Millinocket, Town of | 54 | A | 2 | | Yes | 7/1/1996 | |
| Easton, Town of | 240 | A | | | Yes | 7/1/1994 | |

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
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**APPENDIX A
PARTICIPATING LOCAL DISTRICT PLAN ELECTIONS**

| PLD Name | PLD # | Regular Plan | Special Plan | Special Plan | COLA | Entry Date | FO COLA Date |
|-----------------------------------|-------|-----------------|-----------------|-----------------|------|---------------|--------------------|
| Eliot, Town of | 180 | A | 1 ⁸ | | Yes | 7/1/1994 | |
| Ellsworth, City of | 13 | A | 4 | | Yes | 7/1/1995 | |
| Erskine Academy | 249 | A | | | No | 7/1/1994 | |
| Fairfield, Town of | 260 | A | 3 | | Yes | 7/1/1995 | |
| Falmouth Memorial Library | 58 | A | | | Yes | 7/1/1996 | |
| Falmouth, Town of | 87 | A | 2 ⁸ | | Yes | 7/1/1996 | |
| Farmington Village Corp. | 118 | A | | | No | 7/1/1994 | |
| Farmington, Town of | 100 | A | 1 | | Yes | 7/1/1995 | |
| Fayette, Town of | 296 | A | | | Yes | 7/1/1999 | |
| Fort Fairfield Housing Authority | 275 | A | | | FO | 7/1/2002 | 7/1/1994 |
| Fort Fairfield Utilities District | 131 | A | | | Yes | 7/1/1996 | |
| Fort Fairfield, Town of | 17 | A | | | Yes | 7/1/2000 | |
| Franklin County | 102 | A | | | Yes | 7/1/2006 | |
| Freeport, Town of | 142 | A | 2 ⁷ | | Yes | 7/1/2003 | |

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
ACTUARIAL VALUATION AS OF JUNE 30, 2007

**APPENDIX A
PARTICIPATING LOCAL DISTRICT PLAN ELECTIONS**

| PLD Name | PLD # | Regular Plan | Special Plan | Special Plan | COLA | Entry Date | FO COLA Date |
|-------------------------|-------|-----------------|-----------------|-----------------|------|---------------|--------------------|
| Frenchville, Town of | 98 | A | | | No | 7/1/1996 | |
| Fryeburg, Town of | 149 | A | | | No | 7/1/1996 | |
| Gardiner Water District | 221 | A | | | No | 7/1/1994 | |
| Gardiner, City of | 24 | A | 3 | | No | 7/1/1996 | |
| Glenburn, Town of | 174 | A | | | Yes | 7/1/1994 | |
| Gorham, Town of | 133 | A | 2 | 4 | Yes | 7/1/1996 | |
| Gould Academy | 205 | A | | | No | 7/1/1996 | |
| Greenville, Town of | 112 | A | | | Yes | 7/1/1996 | |
| Hallowell, City of | 160 | A | | | Yes | 7/1/1996 | |
| Hampden Water District | 183 | A | | | Yes | 7/1/1996 | |
| Hampden, Town of | 151 | A | | | No | 7/1/1996 | |
| Hancock County | 56 | A | | | Yes | 7/1/1994 | |
| Harpwell, Town of | 270 | A | | | Yes | 7/1/1994 | |
| Harrison, Town of | 280 | B ⁹ | | | Yes | 7/1/1994 | |

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
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**APPENDIX A
PARTICIPATING LOCAL DISTRICT PLAN ELECTIONS**

| PLD Name | PLD # | Regular Plan | Special Plan | Special Plan | COLA | Entry Date | FO COLA Date |
|---|-------|-----------------|-----------------|-----------------|------|---------------|--------------------|
| Hermon, Town of | 150 | A | | | No | 7/1/1996 | |
| Hodgdon, Town of | 215 | A | | | FO | 7/1/1996 | 7/1/2007 |
| Houlton Water District | 26 | A | | | Yes | 7/1/1995 | |
| Houlton, Town of | 10 | A | 4 ⁵ | | Yes | 7/1/1996 | |
| Indian Township Tribal Gov't | 244 | A | | | No | 7/1/1996 | |
| Jackman Utility District | 294 | A | | | Yes | 7/1/1996 | |
| Jay, Town of | 45 | A | | | Yes | 7/1/1994 | |
| Kennebec County | 47 | A | | | Yes | 7/1/1995 | |
| Kennebec Sanitary Treatment District | 220 | A | | | FO | 7/1/1995 | 7/1/1995 |
| Kennebec Water District | 31 | A | | | Yes | 7/1/1996 | |
| Kennebunk Light and Power Co. | 62 | A | | | Yes | 7/1/1994 | |
| Kennebunk Sewer District | 201 | A | | | FO | 7/1/1994 | 7/1/2000 |
| Kennebunk, Kennebunkport & Wells Water District | 255 | A | | | FO | 7/1/1996 | 7/1/1999 |
| Kennebunk, Town of | 84 | A | 2 | | Yes | 7/1/1996 | |

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PARTICIPATING LOCAL DISTRICT PLAN ELECTIONS**

| PLD Name | PLD # | Regular Plan | Special Plan | Special Plan | COLA | Entry Date | FO COLA Date |
|---|-------|-----------------|-----------------|-----------------|------|---------------|--------------------|
| Kennebunkport, Town of | 188 | A | 1 | | FO | 7/1/1996 | 7/1/2006 |
| Kittery Water District | 12 | A | | | Yes | 7/1/1994 | |
| Kittery, Town of | 14 | A | 1 | 2 | Yes | 7/1/1995 | |
| Lebanon, Town of | 181 | A | | | Yes | 7/1/1996 | |
| Lew Aub Water Pollution Control Authority | 163 | A | | | FO | 7/1/1996 | 7/1/1996 |
| Lewiston - Auburn 9-1-1 | 291 | A | | | Yes | 7/1/1994 | |
| Lewiston Housing Authority | 154 | A | | | Yes | 7/1/1994 | |
| Lewiston, City of | 48 | A | 1 | 2 | Yes | 7/1/1996 | |
| Limestone, Town of | 245 | A | | | Yes | 7/1/2006 | |
| Lincoln & Sagadahoc Multi County Jail Authority | 304 | A | 2 | | Yes | 7/1/2004 | |
| Lincoln Academy | 134 | A | | | Yes | 7/1/1994 | |
| Lincoln County | 95 | A | | | Yes | 7/1/2004 | |
| Lincoln County Sheriffs | 302 | A | 2 ⁷ | | Yes | 7/1/2003 | |
| Lincoln Sanitary District | 219 | A | | | Yes | 7/1/1994 | |

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
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APPENDIX A
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| PLD Name | PLD # | Regular Plan | Special Plan | Special Plan | COLA | Entry Date | FO COLA Date |
|-----------------------------------|-------|-----------------|-----------------|-----------------|------|---------------|--------------------|
| Lincoln Water District | 92 | A | | | Yes | 7/1/1995 | |
| Lincoln, Town of | 76 | A | 3 | | No | 7/1/1996 | |
| Linneus, Town of | 214 | A | | | No | 7/1/1996 | |
| Lisbon Water Department | 243 | A | | | FO | 7/1/1996 | 7/1/2007 |
| Lisbon, Town of | 103 | A | 2 | | Yes | 7/1/1996 | |
| Livermore Falls Water District | 32 | A | | | Yes | 7/1/1994 | |
| Livermore Falls, Town of | 109 | A | | | No | 7/1/1996 | |
| Lovell, Town of | 276 | A | | | Yes | 7/1/1996 | |
| Lubec Water and Electric District | 88 | A | | | Yes | 7/1/1996 | |
| Lubec, Town of | 228 | A | | | No | 7/1/1996 | |
| Madawaska Water District | 236 | A | | | Yes | 7/1/1994 | |
| Madawaska, Town of | 82 | A | | | Yes | 7/1/1996 | |
| MADSEC | 297 | A | | | Yes | 7/1/1999 | |
| Maine County Commissioners Assoc. | 225 | A | | | No | 7/1/1996 | |

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
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**APPENDIX A
PARTICIPATING LOCAL DISTRICT PLAN ELECTIONS**

| PLD Name | PLD # | Regular Plan | Special Plan | Special Plan | COLA | Entry Date | FO COLA Date |
|--|-------|-----------------|-----------------|-----------------|------|---------------|--------------------|
| Maine International Trade Center | 293 | A | | | Yes | 7/1/1998 | |
| Maine Maritime Academy | 38 | A | 2 | | Yes | 7/1/1996 | |
| Maine Municipal Bond Bank | 93 | A | | | Yes | 7/1/1995 | |
| Maine Public Employees Retirement System | 290 | A | | | Yes | 7/1/1994 | |
| Maine School Management Association | 239 | A | | | Yes | 7/1/1994 | |
| Maine State Housing Authority | 169 | A | | | Yes | 7/1/2005 | |
| Maine Turnpike Authority | 49 | A | | | Yes | 7/1/1994 | |
| Maine Veterans Home | 271 | A | | | Yes | 7/1/1994 | |
| Mapleton, Castle Hill and Chapman, Town of | 265 | A | | | Yes | 7/1/1996 | |
| Mars Hill Utility District | 283 | A | | | Yes | 7/1/1994 | |
| Mars Hill, Town of | 227 | A | | | Yes | 7/1/1996 | |
| ME Secondary School Principals Association | 105 | A | | | Yes | 7/1/1994 | |
| Mechanic Falls Sanitary District | 282 | A | | | FO | 7/1/1994 | 7/1/2002 |
| Mechanic Falls, Town of | 114 | A | | | Yes | 7/1/1994 | |

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
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**APPENDIX A
PARTICIPATING LOCAL DISTRICT PLAN ELECTIONS**

| PLD Name | PLD # | Regular Plan | Special Plan | Special Plan | COLA | Entry Date | FO COLA Date |
|--|-------|-----------------|-----------------|-----------------|------|---------------|--------------------|
| Medway, Town of | 194 | A | | | Yes | 7/1/1996 | |
| Mexico, Town of | 74 | A ¹⁰ | | | Yes | 7/1/1996 | |
| Milford, Town of | 186 | A | | | No | 7/1/1996 | |
| Millinocket, Town of | 3 | A | 3 | 4 | Yes | 7/1/1996 | |
| Milo Water District | 238 | A | | | No | 7/1/1996 | |
| Monson, Town of | 184 | A | | | No | 7/1/1996 | |
| Mount Desert Island Reg. School District | 120 | A | | | Yes | 7/1/1996 | |
| Mount Desert Water District | 300 | A ⁷ | | | Yes | 7/1/2003 | |
| Mount Desert, Town of | 16 | A | | | Yes | 7/1/1996 | |
| New Gloucester, Town of | 210 | A | | | FO | 7/1/1995 | 7/1/2007 |
| North Berwick, Town of | 254 | A | 1 | | No | 7/1/1996 | |
| North Berwick Water District | 308 | A | | | Yes | 7/1/2006 | |
| Norway Water District | 136 | A | | | FO | 7/1/1995 | 7/1/2000 |
| Norway, Town of | 125 | A | | | FO | 7/1/1996 | 7/1/2000 |

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
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APPENDIX A
PARTICIPATING LOCAL DISTRICT PLAN ELECTIONS

| PLD Name | PLD # | Regular Plan | Special Plan | Special Plan | COLA | Entry Date | FO COLA Date |
|----------------------------|-------|-----------------|-----------------|-----------------|------|---------------|--------------------|
| Old Orchard Beach, Town of | 140 | A | 2 | | Yes | 7/1/2003 | |
| Old Town Housing Authority | 262 | A | | | FO | 7/1/1994 | 7/1/1994 |
| Old Town Water District | 79 | A | | | No | 7/1/1994 | |
| Old Town, City of | 111 | A | 2 | | No | 7/1/1995 | |
| Oqunquit, Town of | 303 | A | 1 | | Yes | 7/1/2004 | |
| Orland, Town of | 166 | A | | | No | 7/1/1996 | |
| Orono, Town of | 61 | A | 2 ¹¹ | | FO | 7/1/1996 | 7/1/2002 |
| Orrington, Town of | 209 | A | 3 | | No | 7/1/1995 | |
| Otisfield, Town of | 193 | A | | | FO | 7/1/1996 | 7/1/1996 |
| Oxford County | 57 | A | 2 ³ | | Yes | 7/1/1994 | |
| Oxford, Town of | 200 | A | | | No | 7/1/1996 | |
| Paris Utility District | 159 | A | | | Yes | 7/1/1995 | |
| Paris, Town of | 127 | A | | | Yes | 7/1/1996 | |
| Penobscot County | 11 | A | | | Yes | 7/1/1994 | |

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
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**APPENDIX A
PARTICIPATING LOCAL DISTRICT PLAN ELECTIONS**

| PLD Name | PLD # | Regular Plan | Special Plan | Special Plan | COLA | Entry Date | FO COLA Date |
|------------------------------|-------|-----------------|-----------------|-----------------|------|---------------|--------------------|
| Penquis Cap Inc | 237 | A | | | No | 7/1/1995 | |
| Phippsburg, Town of | 202 | A | 3 ¹² | | Yes | 7/1/1996 | |
| Piscataquis County | 121 | A | | | Yes | 7/1/1994 | |
| Pittsfield, Town of | 110 | A | | | No | 7/1/1996 | |
| Pleasant Point Passamaquoddy | 165 | A | | | Yes | 7/1/1996 | |
| Portland Housing Authority | 185 | A | | | Yes | 7/1/1994 | |
| Portland Public Library | 41 | A | | | Yes | 7/1/1995 | |
| Portland, City of | 2 | A | 1 | 2 | Yes | 7/1/1995 | |
| Princeton, Town of | 258 | A | | | No | 7/1/1996 | |
| Richmond, Town of | 213 | A | | | Yes | 7/1/2007 | |
| Richmond Utilities District | 242 | A | | | No | 7/1/1994 | |
| Rockland, City of | 18 | A | 3 ¹³ | 2 ¹⁴ | Yes | 7/1/1995 | |
| Rockport, Town of | 161 | A | | | No | 7/1/1996 | |
| Rumford Fire and Police | 60 | A | 3 | 4 | Yes | 7/1/1995 | |

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PARTICIPATING LOCAL DISTRICT PLAN ELECTIONS**

| PLD Name | PLD # | Regular Plan | Special Plan | Special Plan | COLA | Entry Date | FO COLA Date |
|---------------------------------------|-------|-----------------|-----------------|-----------------|------|---------------|--------------------|
| Rumford Mexico Sewerage District | 247 | A | | | Yes | 7/1/1996 | |
| Rumford Water District | 65 | A | | | Yes | 7/1/1995 | |
| Rumford, Town of | 90 | A | | | Yes | 7/1/1995 | |
| Sabattus, Town of | 175 | A | | | FO | 7/1/1996 | 7/1/2006 |
| Saco, City of | 192 | A | 2 | | No | 7/1/1995 | |
| Sagadahoc County | 96 | A | 2 | 3 ¹⁵ | Yes | 7/1/2002 | |
| Sanford Housing Authority | 152 | A | | | Yes | 7/1/1996 | |
| Sanford Sewerage District | 89 | A | | | No | 7/1/1994 | |
| Sanford Water District | 170 | A | | | No | 7/1/1996 | |
| Sanford, Town of | 83 | A | 1 ¹⁶ | | FO | 7/1/1995 | 7/1/2002 |
| Scarborough, Town of | 147 | A | 2 | | Yes | 7/1/1996 | |
| School Administrative District No. 9 | 119 | A | | | Yes | 7/1/1995 | |
| School Administrative District No. 13 | 223 | A | | | Yes | 7/1/1996 | |
| School Administrative District No. 16 | 190 | A | | | No | 7/1/1994 | |

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| PLD Name | PLD # | Regular Plan | Special Plan | Special Plan | COLA | Entry Date | FO COLA Date |
|---------------------------------------|-------|-----------------|-----------------|-----------------|------|---------------|--------------------|
| School Administrative District No. 21 | 211 | A | | | FO | 7/1/1996 | 7/1/2000 |
| School Administrative District No. 29 | 168 | A | | | Yes | 7/1/1996 | |
| School Administrative District No. 31 | 50 | A | | | FO | 7/1/1994 | 7/1/1994 |
| School Administrative District No. 41 | 143 | A | | | Yes | 7/1/1996 | |
| School Administrative District No. 49 | 189 | A | | | No | 7/1/1995 | |
| School Administrative District No. 51 | 198 | A | | | No | 7/1/1996 | |
| School Administrative District No. 53 | 129 | A | | | No | 7/1/1996 | |
| School Administrative District No. 54 | 115 | A | | | Yes | 7/1/1996 | |
| School Administrative District No. 60 | 187 | A | | | No | 7/1/1994 | |
| School Administrative District No. 67 | 126 | A | | | Yes | 7/1/1996 | |
| School Administrative District No. 71 | 128 | A | | | No | 7/1/1996 | |
| Searsport Water District | 124 | A | | | No | 7/1/1996 | |
| Searsport, Town of | 117 | A | | | No | 7/1/1996 | |
| Skowhegan, Town of | 80 | A | 3 | | Yes | 7/1/1996 | |

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| PLD Name | PLD # | Regular Plan | Special Plan | Special Plan | COLA | Entry Date | FO COLA Date |
|---------------------------------|-------|-----------------|-----------------|-----------------|------|---------------|--------------------|
| So Penobscot Voc School Reg. #4 | 269 | A | | | No | 7/1/1996 | |
| So Portland Housing Authority | 206 | A | | | Yes | 7/1/1996 | |
| Somerset County | 101 | A | | | Yes | 7/1/2005 | |
| South Berwick Sewer District | 299 | A ⁷ | | | Yes | 7/1/2003 | |
| South Berwick Water | 171 | A | 2 | | Yes | 7/1/1996 | |
| South Berwick, Town of | 141 | A | 1 | | FO | 7/1/1996 | 7/1/1996 |
| South Portland, City of | 9 | A | 2 | | Yes | 7/1/1995 | |
| St. Agatha, Town of | 30 | A | | | Yes | 7/1/1996 | |
| Topsham Sewer District | 307 | A ¹⁷ | | | Yes | 7/1/2005 | |
| Topsham, Town of | 81 | A | 2 | 3 | Yes | 7/1/1996 | |
| Tri Community Sanitary Landfill | 267 | A | | | Yes | 7/1/1996 | |
| Van Buren Housing Authority | 229 | A | | | Yes | 7/1/1995 | |
| Van Buren, Town of | 182 | A | | | Yes | 7/1/1995 | |
| Vassalboro, Town of | 153 | A | | | Yes | 7/1/1996 | |

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| PLD Name | PLD # | Regular Plan | Special Plan | Special Plan | COLA | Entry Date | FO COLA Date |
|-------------------------------|-------|-----------------|-----------------|-----------------|------|---------------|--------------------|
| Veazie Fire and Police | 305 | A | 3 ¹⁸ | | Yes | 7/1/2004 | |
| Waldo County | 46 | A | | | Yes | 7/1/1994 | |
| Waldo County Technical Center | 224 | A | | | No | 7/1/1996 | |
| Waldoboro, Town of | 195 | A | 3 | | Yes | 7/1/1995 | |
| Washburn, Town of | 230 | A | | | No | 7/1/1994 | |
| Washington County | 40 | A | | | Yes | 7/1/1996 | |
| Waterville Fire and Police | 66 | A | 3 | | No | 7/1/1996 | |
| Waterville Sewerage District | 222 | A | | | Yes | 7/1/1994 | |
| Wells Ogunquit CSD | 266 | A | | | FO | 7/1/1995 | 7/1/1995 |
| Wells, Town of | 107 | A | 3 | | Yes | 7/1/1995 | |
| Westbrook , City of | 122 | A | | | Yes | 7/1/2006 | |
| Westbrook Fire and Police | 70 | A | 2 | 3 ¹⁹ | Yes | 7/1/2006 | |
| Westbrook Housing Authority | 259 | A | | | Yes | 7/1/1996 | |
| Windham, Town of | 309 | A | 4 | | Yes | 7/1/2006 | |

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| PLD Name | PLD # | Regular Plan | Special Plan | Special Plan | COLA | Entry Date | FO COLA Date |
|------------------------------------|-------|-----------------|-----------------|-----------------|------|---------------|--------------------|
| Winslow, Town of | 144 | A ²⁰ | | | Yes | 7/1/1996 | |
| Winter Harbor Utility District | 250 | A | | | Yes | 7/1/1995 | |
| Winterport Water & Sewer Districts | 306 | A ¹⁷ | | | Yes | 7/1/2005 | |
| Winthrop, Town of | 179 | A | | | FO | 7/1/1994 | 7/1/2003 |
| Yarmouth Water District | 278 | A | | | Yes | 7/1/1994 | |
| Yarmouth, Town of | 116 | A | 2 | | Yes | 7/1/1996 | |
| York County | 37 | A | 2 | | Yes | 7/1/1996 | |
| York Sewer District | 139 | A | | | FO | 7/1/1994 | 7/1/2006 |
| York Water District | 39 | A | | | Yes | 7/1/1996 | |
| York, Town of | 28 | A | 2 ¹⁸ | | Yes | 7/1/1994 | |

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PARTICIPATING LOCAL DISTRICT PLAN ELECTIONS

Notes:

FO = Future Service COLA only, that is, for benefits attributable to service rendered after the Future Service COLA date.

- ¹ Employees hired prior to July 1, 1997 and who are members of the Plan are covered under Special Plan #1. Corrections Officers and Law Enforcement Officers hired on or after July 1, 1997, will be covered under Special Plan #2. All other employees hired on or after July 1, 1997, will be covered under Regular Plan A.
- ² Applicable to all new hires on or after July 1, 1996. All members in the PLD at July 1, 1996 elected to remain in the 1/50 Plan under Regular Plan A.
- ³ Applicable for future service only rendered by law enforcement from July 1, 2003. Applicable for future service only rendered by Firefighters from July 1, 2007.
- ⁴ Brewer Water District (P0068) ceased to exist as a separate entity on January 15, 2003 and became part of the City of Brewer (P0063). All Brewer Water District Regular Plan AN members became members of the Regular Plan AC for future service only.
- ⁵ Applicable for future service rendered by the Town's Firefighters and Police Officers from July 1, 2001.
- ⁶ Applicable for future service only from July 1, 2000.
- ⁷ Applicable for future service only from July 1, 2003.
- ⁸ Applicable for future service of Police Officers, effective July 1, 2006.
- ⁹ Applicable to all new hires on or after July 1, 1994. All members in the PLD at July 1, 1994, elected to remain in the 1/50 Plan under Regular Plan A.
- ¹⁰ Withdrew from Plan for new members, effective July 31, 2004.
- ¹¹ Applicable to future service rendered by the Town's Firefighters and Police Officers from July 1, 2005. Prior service was credited under Special Plan 4C.
- ¹² Applicable for future service rendered by the Town's Police Officers from July 1, 2007.
- ¹³ Applicable for Police Officers hired before July 1, 1998 for all service and for Police Officers hired after June 30, 1998, for future service only from July 1, 2003.
- ¹⁴ Applicable to new Police Officers hired after June 30, 1998 for service through June 30, 2003.
- ¹⁵ Applicable for future service only rendered by law enforcement from July 1, 2002.
- ¹⁶ Applicable for future service rendered by the Town's Firefighters from July 1, 2004.
- ¹⁷ Applicable for future service only from July 1, 2005.
- ¹⁸ Applicable for future service rendered by the Town's Firefighters from July 1, 2005.
- ¹⁹ Applicable to Police Officers and Firefighters hired prior to July 1, 1983.
- ²⁰ Withdrew from Plan for new members effective July 1, 2004.

APPENDIX B
MEMBERSHIP INFORMATION

| Active Member Data as of June 30, 2007 | |
|---|-----------|
| Regular Plans Members | |
| Count | 7,412 |
| Average Current Age | 47.4 |
| Average Service | 9.0 |
| Average Valuation Pay | \$ 32,351 |
| Special Plans Members | |
| Count | 2,175 |
| Average Current Age | 40.8 |
| Average Service | 10.4 |
| Average Valuation Pay | \$ 47,238 |
| All Plans Members | |
| Count | 9,587 |
| Average Current Age | 45.9 |
| Average Service | 9.3 |
| Average Valuation Pay | \$ 35,728 |

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
ACTUARIAL VALUATION AS OF JUNE 30, 2007

**APPENDIX B
MEMBERSHIP INFORMATION**

**Participating Local Districts of the Maine Public Employees Retirement System
Non-Active Member Data as of June 30, 2007
Regular Plan**

| | Count | Total Annual Benefit | Average Annual Benefit |
|-----------------------------------|--------------|---------------------------------|-----------------------------------|
| Retired | 3,276 | \$ 34,138,456 | \$ 10,421 |
| Retired- Concurrent Beneficiaries | 319 | \$ 906,878 | \$ 2,843 |
| Disabilities / 1122 | 52 | \$ 564,221 | \$ 10,850 |
| Disabilities / 3 and 3A | 257 | \$ 4,555,837 | \$ 17,727 |
| Beneficiaries | 849 | \$ 5,767,473 | \$ 6,793 |
| Pre-Retirement Death Benefits | 214 | \$ 1,284,177 | \$ 6,001 |
| Terminated Vested | 939 | \$ 5,252,405 | \$ 5,594 |

**Participating Local Districts of the Maine Public Employees Retirement System
Non-Active Member Data as of June 30, 2007
Special Plan**

| | Count | Total Annual Benefit | Average Annual Benefit |
|-----------------------------------|--------------|---------------------------------|-----------------------------------|
| Retired | 1,243 | \$ 28,763,995 | \$ 23,141 |
| Retired- Concurrent Beneficiaries | 344 | \$ 1,641,092 | \$ 4,771 |
| Disabilities / 1122 | 43 | \$ 732,700 | \$ 17,040 |
| Disabilities / 3 and 3A | 45 | \$ 1,084,761 | \$ 24,106 |
| Beneficiaries | 207 | \$ 2,581,965 | \$ 12,473 |
| Pre-Retirement Death Benefits | 23 | \$ 137,626 | \$ 5,984 |
| Terminated Vested | 28 | \$ 211,884 | \$ 7,567 |

**CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
ACTUARIAL VALUATION AS OF JUNE 30, 2007**

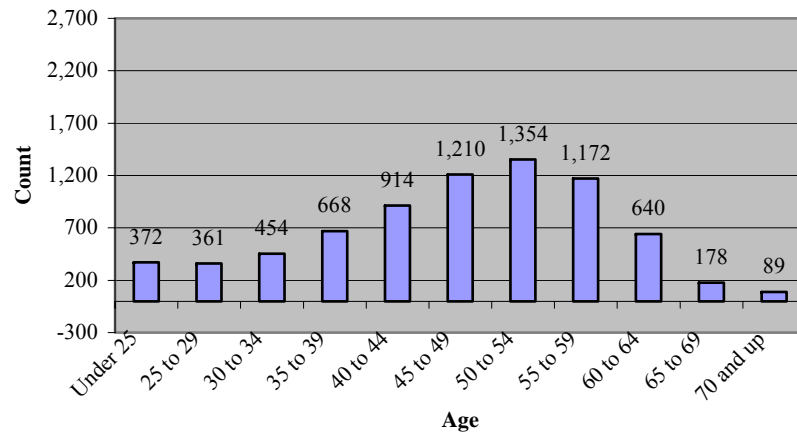
**APPENDIX B
MEMBERSHIP INFORMATION**

Distribution of Active Members
As of June 30, 2007

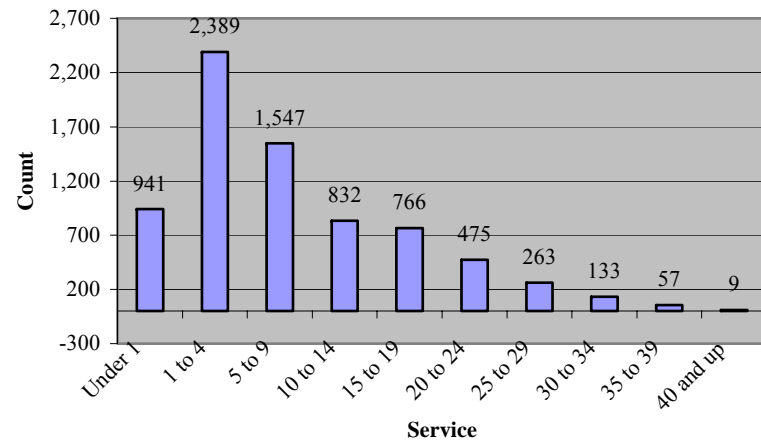
Regular Plan Participants

| | Years of Service | | | | | | | | | | | Totals |
|--------------|------------------|--------------|--------------|------------|------------|------------|------------|------------|-----------|-----------|---|--------------|
| | Under 1 | 1 to 4 | 5 to 9 | 10 to 14 | 15 to 19 | 20 to 24 | 25 to 29 | 30 to 34 | 35 to 39 | 40 and up | | |
| Under 25 | 161 | 198 | 13 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 372 |
| 25 to 29 | 97 | 201 | 61 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 361 |
| 30 to 34 | 93 | 226 | 109 | 24 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 454 |
| 35 to 39 | 109 | 279 | 184 | 60 | 32 | 4 | 0 | 0 | 0 | 0 | 0 | 668 |
| 40 to 44 | 112 | 323 | 236 | 118 | 90 | 33 | 2 | 0 | 0 | 0 | 0 | 914 |
| 45 to 49 | 134 | 386 | 252 | 134 | 155 | 89 | 54 | 6 | 0 | 0 | 0 | 1,210 |
| 50 to 54 | 110 | 359 | 280 | 187 | 168 | 119 | 82 | 43 | 6 | 0 | 0 | 1,354 |
| 55 to 59 | 79 | 261 | 240 | 159 | 162 | 133 | 67 | 43 | 26 | 2 | 2 | 1,172 |
| 60 to 64 | 30 | 113 | 127 | 108 | 112 | 60 | 44 | 27 | 17 | 2 | 2 | 640 |
| 65 to 69 | 11 | 32 | 35 | 25 | 28 | 21 | 10 | 9 | 4 | 3 | 3 | 178 |
| 70 and up | 5 | 11 | 10 | 15 | 17 | 16 | 4 | 5 | 4 | 2 | 2 | 89 |
| Total | 941 | 2,389 | 1,547 | 832 | 766 | 475 | 263 | 133 | 57 | 9 | | 7,412 |

Age Distribution



Service Distribution



**CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
ACTUARIAL VALUATION AS OF JUNE 30, 2007**

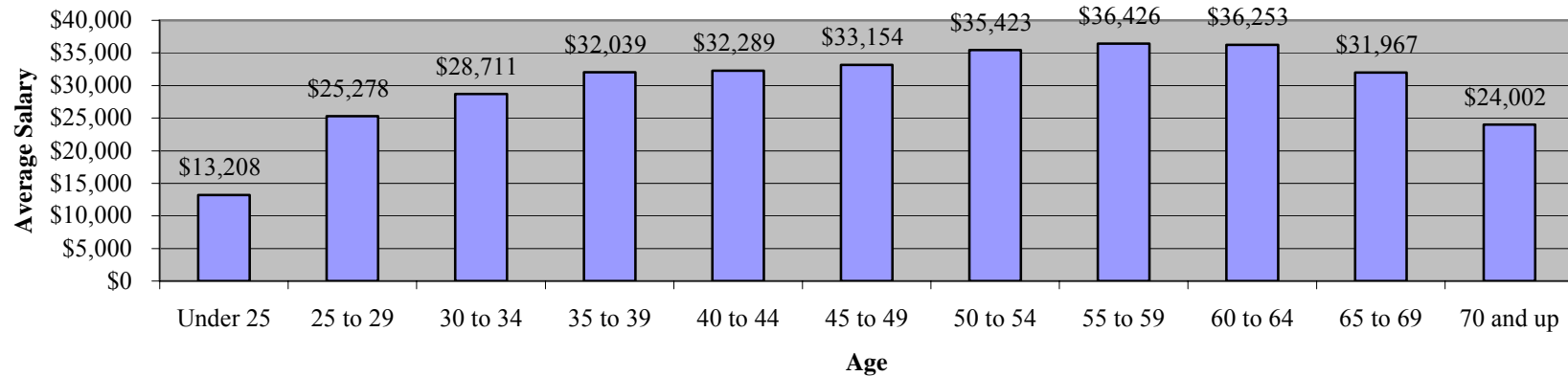
**APPENDIX B
MEMBERSHIP INFORMATION**

Distribution of Active Members
As of June 30, 2007

Regular Plan Participants

| | Average Salary Years of Service | | | | | | | | | | Average | |
|-----------|------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|---------|-----------|
| | Under 1 | 1 to 4 | 5 to 9 | 10 to 14 | 15 to 19 | 20 to 24 | 25 to 29 | 30 to 34 | 35 to 39 | 40 and up | | |
| Under 25 | \$ 8,278 | \$ 17,059 | \$ 15,605 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 13,208 |
| 25 to 29 | 14,146 | 28,994 | 30,964 | 18,243 | - | - | - | - | - | - | - | 25,278 |
| 30 to 34 | 14,756 | 30,146 | 36,878 | 32,062 | 30,121 | - | - | - | - | - | - | 28,711 |
| 35 to 39 | 15,734 | 33,465 | 36,214 | 37,042 | 41,440 | 34,491 | - | - | - | - | - | 32,039 |
| 40 to 44 | 14,652 | 30,064 | 34,610 | 40,309 | 42,021 | 41,802 | 37,311 | - | - | - | - | 32,289 |
| 45 to 49 | 15,083 | 32,305 | 32,188 | 36,499 | 39,134 | 44,101 | 43,217 | 49,773 | - | - | - | 33,154 |
| 50 to 54 | 14,161 | 32,607 | 34,321 | 37,545 | 40,432 | 43,483 | 46,294 | 46,829 | 48,665 | - | - | 35,423 |
| 55 to 59 | 15,863 | 35,452 | 34,766 | 36,016 | 37,767 | 39,879 | 44,617 | 49,241 | 54,770 | 81,164 | - | 36,426 |
| 60 to 64 | 15,322 | 35,863 | 34,719 | 36,963 | 35,466 | 37,333 | 42,746 | 46,352 | 48,109 | 62,943 | - | 36,253 |
| 65 to 69 | 13,402 | 30,334 | 27,930 | 32,445 | 35,448 | 36,991 | 43,703 | 36,216 | 31,253 | 42,002 | - | 31,967 |
| 70 and up | 6,789 | 18,511 | 18,601 | 18,944 | 28,074 | 26,881 | 28,179 | 39,006 | 17,878 | 70,895 | - | 24,002 |
| Average | \$ 13,716 | \$ 30,859 | \$ 33,989 | \$ 36,671 | \$ 38,625 | \$ 40,774 | \$ 44,199 | \$ 46,632 | \$ 47,902 | \$ 61,779 | \$ - | \$ 32,351 |

Average Salary Distribution



**CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
ACTUARIAL VALUATION AS OF JUNE 30, 2007**

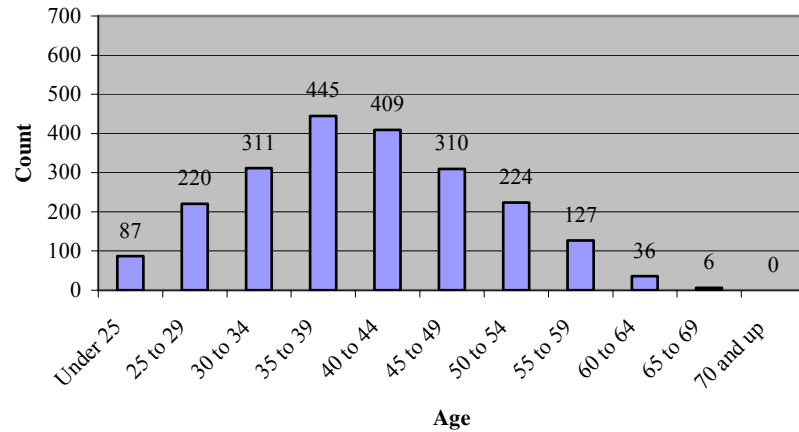
**APPENDIX B
MEMBERSHIP INFORMATION**

Distribution of Active Members
As of June 30, 2007

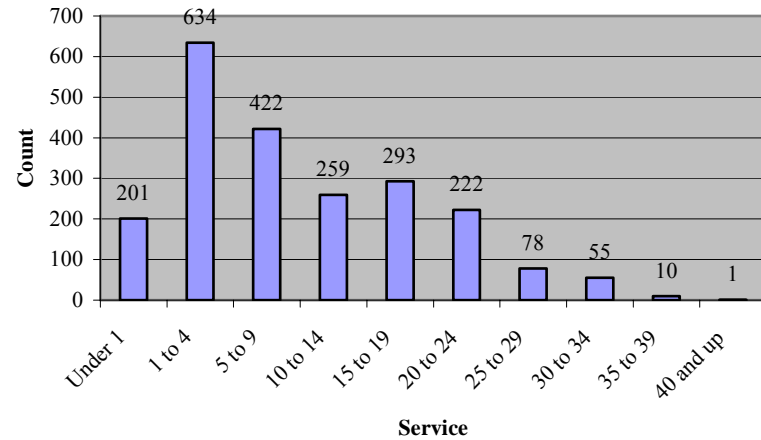
Special Plan Participants

| | Years of Service | | | | | | | | | | | Totals |
|--------------|------------------|------------|------------|------------|------------|------------|-----------|-----------|-----------|-----------|----------|--------------|
| | Under 1 | 1 to 4 | 5 to 9 | 10 to 14 | 15 to 19 | 20 to 24 | 25 to 29 | 30 to 34 | 35 to 39 | 40 and up | | |
| Under 25 | 39 | 47 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 87 |
| 25 to 29 | 45 | 133 | 42 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 220 |
| 30 to 34 | 29 | 126 | 120 | 35 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 311 |
| 35 to 39 | 35 | 122 | 130 | 118 | 40 | 0 | 0 | 0 | 0 | 0 | 0 | 445 |
| 40 to 44 | 19 | 98 | 64 | 54 | 121 | 53 | 0 | 0 | 0 | 0 | 0 | 409 |
| 45 to 49 | 16 | 54 | 31 | 26 | 77 | 88 | 18 | 0 | 0 | 0 | 0 | 310 |
| 50 to 54 | 8 | 36 | 16 | 15 | 33 | 60 | 39 | 17 | 0 | 0 | 0 | 224 |
| 55 to 59 | 8 | 14 | 11 | 8 | 14 | 20 | 18 | 33 | 1 | 0 | 0 | 127 |
| 60 to 64 | 2 | 3 | 6 | 1 | 7 | 1 | 2 | 5 | 8 | 1 | 1 | 36 |
| 65 to 69 | 0 | 1 | 1 | 2 | 0 | 0 | 1 | 0 | 1 | 0 | 0 | 6 |
| 70 and up | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 201 | 634 | 422 | 259 | 293 | 222 | 78 | 55 | 10 | 1 | 1 | 2,175 |

Age Distribution



Service Distribution



**CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
ACTUARIAL VALUATION AS OF JUNE 30, 2007**

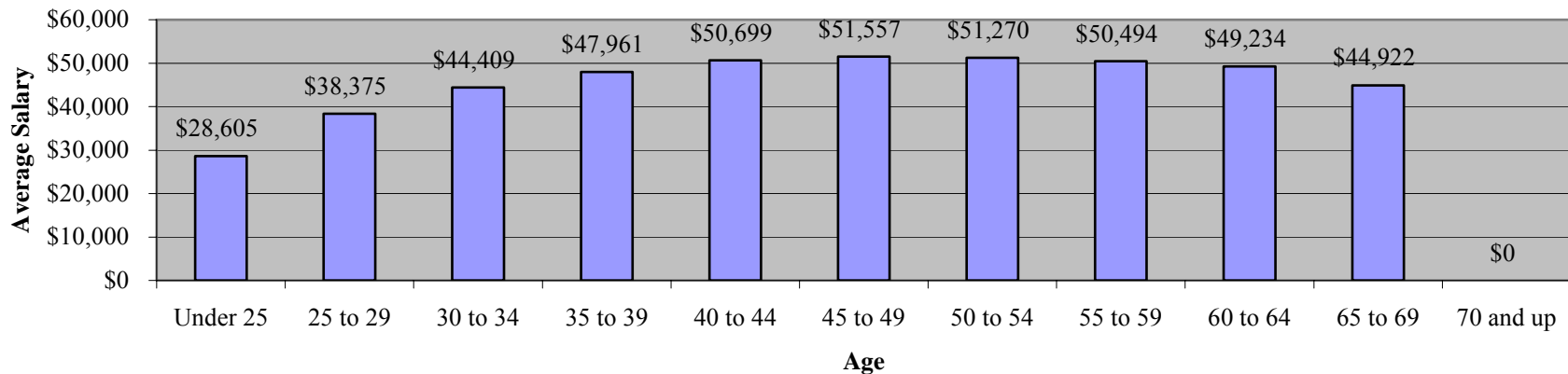
**APPENDIX B
MEMBERSHIP INFORMATION**

Distribution of Active Members
As of June 30, 2007

Special Plan Participants

| | Average Salary Years of Service | | | | | | | | | | Average | |
|-----------|------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|---------|-----------|
| | Under 1 | 1 to 4 | 5 to 9 | 10 to 14 | 15 to 19 | 20 to 24 | 25 to 29 | 30 to 34 | 35 to 39 | 40 and up | | |
| Under 25 | \$ 15,696 | \$ 38,894 | \$ 48,478 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 28,605 |
| 25 to 29 | 17,810 | 43,173 | 45,216 | - | - | - | - | - | - | - | - | 38,375 |
| 30 to 34 | 17,144 | 46,355 | 47,158 | 50,950 | 31,210 | - | - | - | - | - | - | 44,409 |
| 35 to 39 | 20,484 | 46,864 | 49,001 | 53,591 | 55,360 | - | - | - | - | - | - | 47,961 |
| 40 to 44 | 29,417 | 48,545 | 48,213 | 52,052 | 53,870 | 56,692 | - | - | - | - | - | 50,699 |
| 45 to 49 | 24,737 | 48,485 | 44,147 | 49,627 | 53,284 | 58,276 | 59,919 | - | - | - | - | 51,557 |
| 50 to 54 | 20,056 | 48,208 | 42,635 | 36,766 | 46,842 | 55,050 | 61,734 | 64,617 | - | - | - | 51,270 |
| 55 to 59 | 29,831 | 48,665 | 51,604 | 45,120 | 42,357 | 45,211 | 56,217 | 60,525 | 57,776 | - | - | 50,494 |
| 60 to 64 | 6,823 | 62,025 | 52,739 | 55,977 | 41,218 | 68,736 | 62,536 | 48,378 | 54,495 | 40,102 | - | 49,234 |
| 65 to 69 | - | 50,798 | 30,618 | 32,726 | - | - | 48,613 | - | 74,049 | - | - | 44,922 |
| 70 and up | - | - | - | - | - | - | - | - | - | - | - | - |
| Average | \$ 19,876 | \$ 45,990 | \$ 47,459 | \$ 51,127 | \$ 52,198 | \$ 55,896 | \$ 59,894 | \$ 60,686 | \$ 56,779 | \$ 40,102 | \$ - | \$ 47,238 |

Average Salary Distribution



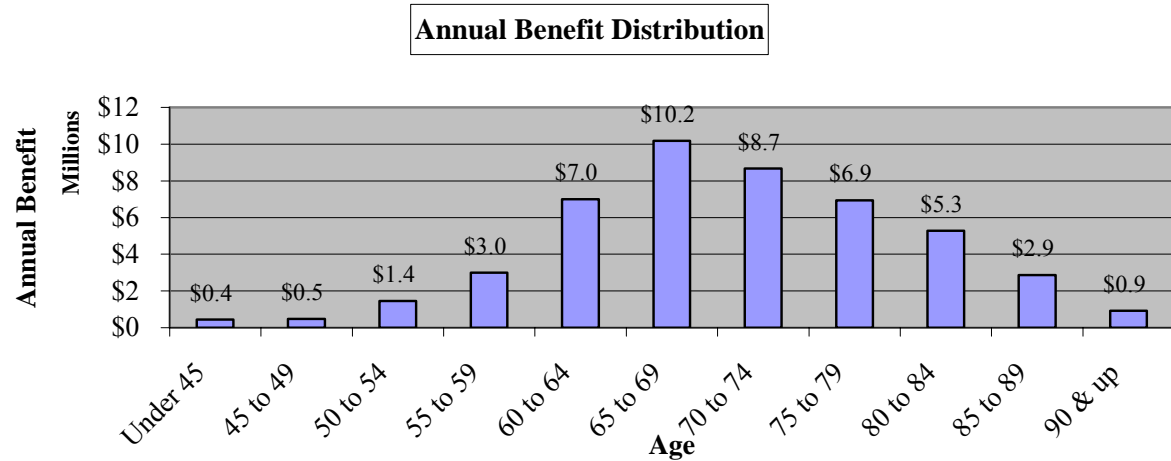
**CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
ACTUARIAL VALUATION AS OF JUNE 30, 2007**

**APPENDIX B
MEMBERSHIP INFORMATION**

**Distribution of Retirees, Disabled
Members, Beneficiaries, and Survivors
As of June 30, 2007**

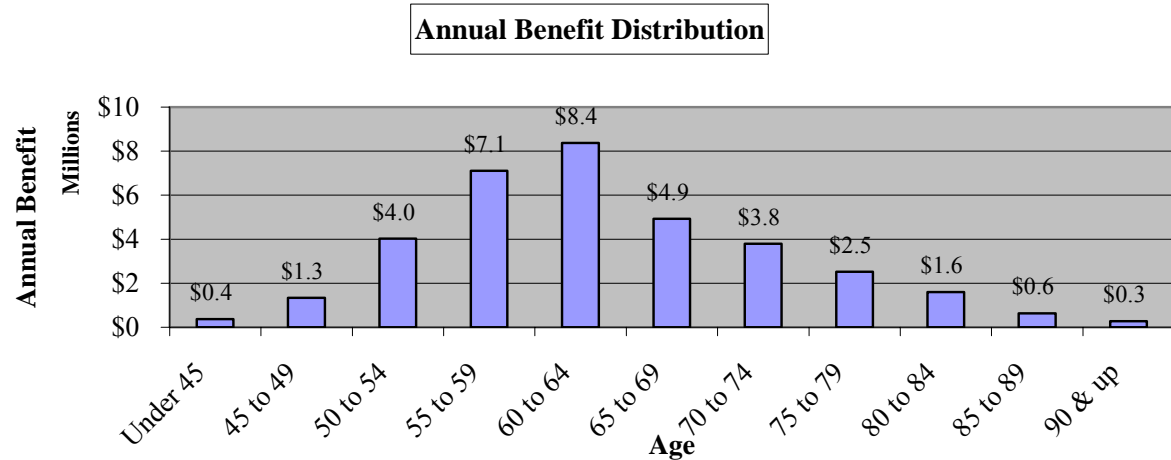
Regular Plan Participants

| Age | Count | Annual Benefit |
|--------------|--------------|----------------------|
| Under 45 | 76 | \$ 442,890 |
| 45 to 49 | 43 | 472,333 |
| 50 to 54 | 116 | 1,448,368 |
| 55 to 59 | 202 | 2,999,155 |
| 60 to 64 | 559 | 6,996,091 |
| 65 to 69 | 893 | 10,183,141 |
| 70 to 74 | 874 | 8,678,119 |
| 75 to 79 | 815 | 6,931,412 |
| 80 to 84 | 743 | 5,272,905 |
| 85 to 89 | 451 | 2,860,137 |
| 90 & up | 195 | 932,527 |
| Total | 4,967 | \$ 47,217,078 |



Special Plan Participants

| Age | Count | Annual Benefit |
|--------------|--------------|----------------------|
| Under 45 | 27 | \$ 367,958 |
| 45 to 49 | 62 | 1,336,968 |
| 50 to 54 | 190 | 4,021,663 |
| 55 to 59 | 355 | 7,102,014 |
| 60 to 64 | 408 | 8,369,004 |
| 65 to 69 | 274 | 4,923,423 |
| 70 to 74 | 235 | 3,791,052 |
| 75 to 79 | 160 | 2,517,839 |
| 80 to 84 | 119 | 1,603,921 |
| 85 to 89 | 48 | 638,032 |
| 90 & up | 27 | 270,265 |
| Total | 1,905 | \$ 34,942,139 |



APPENDIX C
SUMMARY OF PLAN PROVISIONS

1. Member Contributions:

Members are required to contribute a percent of earnable compensation which varies by Plan as follows:

| | |
|-----------------|-------------------------------------|
| Regular AC & AN | 6.5% |
| Regular BC | 3.0% |
| Special 1C & 1N | 6.5% |
| Special 2C & 2N | 6.5% |
| Special 3C & 3N | 8.0% for first 25 years, 6.5% after |
| Special 4C & 4N | 7.5% for first 25 years, 6.5% after |

2. Average Final Compensation:

For purposes of determining benefits payable under the Plan, average final compensation is the average annual rate of earnable compensation for the 3 years of creditable service (not necessarily consecutive) which produce the highest such average.

3. Creditable Service:

Creditable service includes service while a member, certain service prior to the establishment of the Plan, purchased service credit of which there are several types, and service while receiving disability benefits under the Plan.

4. Service Retirement Benefits:

Regular Plan AC

Normal Retirement Age: 60

Eligibility for Member in Active Service and Inactive Members: 25 years of creditable service.

Eligibility Alternative for Members in Active Service: At least one year of creditable service immediately before retirement and at least normal retirement age.

Eligibility for Members not in Active Service at Retirement, and not in Active Service on or after October 1, 1999: At least ten years of creditable service and at least normal retirement age.

Eligibility for Members not in Active Service at Retirement, but in Active Service on or After October 1, 1999: At least five years of creditable service and at least normal retirement age.

Benefit: 1/50 of average final compensation multiplied by years of membership service under Consolidated Plan AC reduced by approximately 2¼% for each year that a member is younger than age 60 at retirement.

Form of Payment: Life annuity (“full benefit”), unless an optional method of payment is selected.

Cost-of-Living Adjustment: See item 10.

APPENDIX C
SUMMARY OF PLAN PROVISIONS

Regular Plan AN

This benefit plan is the same as Regular Benefit Plan AC, except that there is no provision for cost-of-living adjustments.

Regular Plan BC

Normal Retirement Age: 60

Eligibility for Member in Active Service and Inactive Members: 25 years of creditable service.

Eligibility Alternative for Members in Active Service: At least one year of creditable service immediately before retirement and at least normal retirement age.

Eligibility for Members not in Active Service at Retirement, and not in Active Service on or After October 1, 1999: At least 10 years of creditable service and at least normal retirement age.

Eligibility for Members not in Active Service at Retirement, but in Active Service on or After October 1, 1999: At least five years of creditable service and at least normal retirement age.

Benefit: 1/100 of average final compensation multiplied by years of membership service under Consolidated Plan BC reduced by approximately 2¼% for each year that a member is younger than age 60 at retirement.

Form of Payment: Life annuity (“full benefit”), unless an optional method of payment is selected.

Cost-of-Living Adjustment: See item 10.

Regular Plan Notes

1. Under certain circumstances, Regular Plan service can count, on a pro rata basis, toward meeting Special Plan benefit eligibility requirements.
2. The actual benefit for service earned prior to coverage under the Consolidated Plan may be based on a variable percentage of average final compensation multiplied by years of service under any previous plan(s) (the percentage depends on the previous plan(s)).

Special Plan 1C

Eligibility: 20 years of creditable service in named positions.

Benefit: One-half of average final compensation plus 2% for each year of service in excess of 20.

Form of Payment: Life annuity (“full benefit”), unless an optional method of payment is selected.

Cost-of-Living Adjustment: See item 10.

Special Plan 1N

This benefit plan is identical to Special Benefit Plan 1C, except that there is no provision for cost-of-living adjustments.

APPENDIX C
SUMMARY OF PLAN PROVISIONS

Special Plan 2C

Eligibility: 25 years of creditable service in named positions.

Benefit: One-half average final compensation plus 2% for each year of service in excess of 25.

Form of Payment: Life annuity (“full benefit”), unless an optional method of payment is selected.

Cost-of-Living Adjustment: See item 10.

Special Plan 2N

This benefit plan is identical to Special Benefit Plan 2C, except that there is no provision for cost-of-living adjustments.

Special Plan 3C

Eligibility: 25 years of creditable service in named positions.

Benefit: Two thirds of average final compensation plus 2% for each year of service in excess of 25.

Form of Payment: Life annuity (“full benefit”), unless an optional method of payment is selected.

Cost-of-Living Adjustment: See item 10.

Special Plan 3N

This benefit is identical to Regular Benefit Plan 3C, except that there is no provision for cost-of-living adjustments.

Special Plan 4C

Eligibility: Age 55 with 25 years of creditable service in named positions.

Benefit: 1/50 of average final compensation multiplied by years of membership service under Consolidated Plan 4C reduced by approximately 2¼% for each year that a member is younger than age 55 at retirement.

Form of Payment: Life annuity (“full benefit”), unless an optional method of payment is selected.

Cost-of-Living Adjustment: See item 10.

Special Plan 4N

This benefit plan is identical to Special Benefit Plan 4C, except that there is no provision for cost-of-living adjustments.

Special Plan Notes

1. If a Special Plan member fails to meet the Special Plan eligibility criteria, their service retirement benefit is that provided by the applicable underlying Regular Plan; Special Plan service credits are used toward Regular Plan eligibility requirements.
2. Service in all Special Plans counts, on a percentage basis, toward meeting the benefit eligibility requirements of any Special Plan.
3. The actual benefit for service earned prior to coverage under the Consolidated Plan may be based on a variable

APPENDIX C
SUMMARY OF PLAN PROVISIONS

percentage of average final compensation multiplied by years of service under any previous plan(s) (the percentage depends on the previous plan(s)).

average final compensation. Benefits will cease when the last dependent child no longer meets the definition of “dependent child”.

5. Pre-Retirement Accidental Death Benefits:

Eligibility: Death while active or disabled resulting from injury received in the line of duty.

Benefit:

- If the member leaves no dependent children, two-thirds of the member's average final compensation to the surviving spouse until death.
- If the member is survived by a spouse who has the care of dependent child(ren) of the member, the surviving spouse shall receive an annual sum equal to the member's average final compensation. When there is no longer any dependent child(ren), the surviving spouse shall receive two-thirds of member's average final compensation until death.
- If the member is survived by a spouse who does not have the care of the member's dependent child(ren), the surviving spouse and dependent child(ren) shall share equally an annual sum equal to the member's average final compensation. When there is no longer any dependent child(ren), the surviving spouse shall receive two-thirds of member's average final compensation until death.
- If the member leaves no spouse, the dependent child(ren) shall be paid an annual amount equal to the member's

6. Pre-Retirement Ordinary Death Benefits:

Eligibility: Death while active, inactive, eligible to retire, or disabled.

Benefit: Designated beneficiary, spouse, child(ren), or parents entitled to benefit calculated as if deceased member had retired under Option 2 (see item 12); however, beneficiary may elect survivor benefits payable to a surviving spouse, dependent child(ren), parents, or other designated beneficiaries in monthly amounts varying by status of beneficiary and number of eligible survivors. Otherwise, accumulated contributions with interest are payable to designated beneficiary, spouse, child(ren), older parent or estate.

7. Disability Retirement Benefits Other Than No Age Benefits (See Item 8):

Eligibility: Disabled as defined in the MainePERS statutes, prior to normal retirement age; employed prior to October 16, 1992 and did not elect No Age Disability Benefits.

Benefit: 66⅔% of average final compensation, reduced by employment earnings over the specified statutory limit, and to the extent that the benefit, in combination with Worker's Compensation and Social Security, exceeds 80% of average final compensation.

Form of Payment: Payment begins on termination of service and ceases on cessation of disability or after five years, unless

APPENDIX C
SUMMARY OF PLAN PROVISIONS

the member is unable to engage in any substantially gainful activity; in which case payments cease on the earlier of ten years following normal retirement age or date the service retirement benefit equals or exceeds the disability benefit.

Conversion to Service Retirement: During the period of disability, service is credited and average final compensation may be increased with cost-of-living adjustments (see item 10). On the date when service benefits reach a level of 66 $\frac{2}{3}$ % of average final compensation or ten years after the normal retirement date, if earlier, the disability converts to a service retirement benefit based on service and average final compensation at that point.

8. No-Age Disability Benefits:

Eligibility: Disabled as defined in the MainePERS statutes; employed on or after October 16, 1992 or employed prior to October 16, 1992 and elected the provisions of No Age Disability.

Benefit: 59% of average final compensation, reduced by employment earnings over the specified statutory limit, and to the extent that the benefit, in combination with Worker's Compensation and Social Security, exceeds 80% of average final compensation.

Form of Payment: Payment begins on termination of service and ceases on cessation of disability or after five years, unless the member is unable to engage in any substantially gainful activity; in which case payments cease on the date the service retirement benefit equals or exceeds the disability benefit.

Conversion to Service Retirement: During the period of disability, service is credited and average final compensation may be increased with cost-of-living adjustments (see item 10). On the date when service benefits reach a level of 59% of average final compensation, the disability benefit converts to a service retirement benefit based on service and average final compensation at that point.

9. Refund of Contributions:

Eligibility: Termination of service other than by retirement or death.

Benefit: Member's accumulated contributions with interest.

10. Cost-of-Living Adjustments (COLA):

All service and disability retirement (and survivor) benefits payable to (or in relation to) benefit recipients who were employed by a PLD that elected a plan which provides for a COLA are adjusted each year that there is a percentage change in the Consumer Price Index, based on the Index. Cost-of-living adjustments are effective September 1 and are applied to all benefits which have been in payment for six months. The maximum annual increase or decrease is 4%.

11. Methods of Payment of Service Retirement Benefits:

At retirement, a member must choose one of the following methods of payment.

Full Benefit: Unadjusted benefit paid for the life of the member only.

APPENDIX C
SUMMARY OF PLAN PROVISIONS

Option 1: Cash refund equal to the remaining employee contribution balance, if any, at the date of death (the employee contribution balance having been reduced each month by the portion of the monthly benefit deemed to be provided by employee contributions).

Option 2: 100% joint and survivor annuity.

Option 3: 50% joint and survivor annuity.

Option 4: Joint and survivor annuity at any percentage other than those available under Option 2 and Option 3.

Option 5: Designated percentage of the benefit (not less than 51%) payable to the member, with the remaining percentage (the two to equal 100%) payable to a beneficiary (may only be a sole beneficiary) while both are alive. At the death of either, the higher of the two percentages is paid to the survivor for the survivor's life, and the lower-percentage benefit ceases to be paid.

Option 6: 100% joint and survivor annuity (Option 2) with pop-up*.

Option 7: 50% joint and survivor annuity (Option 3) with pop-up*.

Option 8: Option 4 with pop-up*.

* The "pop-up" feature attached to a given Option means that in the case of a beneficiary predeceasing the member, the member's benefit will be revised prospectively to the amount that the benefit would have been had the member selected Full Benefit payment upon retirement.

APPENDIX D
 ACTUARIAL ASSUMPTIONS AND METHODS

A. Actuarial Assumptions

1. Annual Rate of Investment Return: 7.75%
2. Cost-of-Living Increases in Benefits:
3.75% (Where Applicable)
3. Rates of Termination at Selected Ages*:

| Age | Regular | Special |
|-----|---------|---------|
| 25 | 19.5% | 7.5% |
| 30 | 12.5 | 7.5 |
| 35 | 10.0 | 4.2 |
| 40 | 7.5 | 3.2 |
| 45 | 5.3 | 2.2 |
| 50 | 3.6 | 2.0 |
| 55 | 2.3 | 2.0 |

* Members with five or more years of service are assumed to elect deferred vested benefits; other terminations are assumed to elect refunds.

4. Rates of Active Healthy Life Mortality at Selected Ages (number of deaths per 10,000 members)**:

| Age | Male | Female |
|-----|------|--------|
| 25 | 7 | 3 |
| 30 | 9 | 4 |
| 35 | 9 | 5 |
| 40 | 12 | 8 |
| 45 | 17 | 10 |
| 50 | 28 | 15 |
| 55 | 48 | 25 |
| 60 | 86 | 48 |
| 65 | 156 | 93 |
| 70 | 255 | 148 |

** For Regulars, 5% of deaths are assumed to arise out of and in the course of employment; for Specials, 20% of deaths are assumed to arise out of and in the course of employment.

5. Rates of Mortality for Disabled Lives at Selected Ages (number of deaths per 10,000 members):

| Age | Male | Female |
|-----|------|--------|
| 25 | 92 | 72 |
| 30 | 112 | 89 |
| 35 | 134 | 109 |
| 40 | 160 | 126 |
| 45 | 193 | 144 |
| 50 | 236 | 165 |
| 55 | 295 | 191 |
| 60 | 362 | 226 |
| 65 | 446 | 272 |
| 70 | 576 | 331 |

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6. Rates of Retirement at Selected Ages (number retiring per 1,000 members):

Regular Plans

| Age | Assumption |
|-----|------------|
| 25 | 50 |
| 30 | 50 |
| 35 | 100 |
| 40 | 100 |
| 45 | 100 |
| 50 | 150 |
| 55 | 250 |
| 60 | 400 |
| 65 | 250 |
| 70 | 1,000 |

Special Plans

50% of those eligible to retire in each year.

7. Rates of Disability at Selected Ages (members becoming disabled per 10,000 members) **::

| Age | Regular Plan | Special Plan |
|-----|--------------|--------------|
| 25 | 6 | 13 |
| 30 | 6 | 13 |
| 35 | 7 | 14 |
| 40 | 11 | 18 |
| 45 | 22 | 29 |
| 50 | 42 | 49 |
| 55 | 72 | 79 |

** 10% assumed to receive Workers Compensation benefits offsetting disability benefit.

8. Family Composition Assumptions:

80% of active members are married and have two children born when the member is 24 and 28; children are dependent until age 18; spouses are same age; member has no dependent parents; unmarried members have beneficiaries entitled to benefits worth 80% as much as those of married members' beneficiaries.

9. Salary Growth Assumption:

| Rates of Increases at Selected Ages | |
|-------------------------------------|----------|
| Age | Increase |
| 25 | 9.0% |
| 30 | 7.5 |
| 35 | 5.5 |
| 40 | 5.5 |
| 45 | 5.0 |
| 50 | 4.5 |
| 55 | 4.5 |
| 60 | 4.5 |

10. Assumption Changes Since Last Valuation

None.

APPENDIX D
ACTUARIAL ASSUMPTIONS AND METHODS

B. Actuarial Methods

1. Funding Method:

The Entry Age Normal method is used to determine costs. Under this funding method, the total employer contribution rate is determined which consists of two elements, the normal cost rate and the pooled unfunded actuarial liability (PUAL) rate. The actual contribution for a given PLD will include an IUUAL payment as well, unless the PLD came into the Plan with surplus assets.

For each Regular and Special Plan, a normal cost rate is determined for the average new entrant. This rate is determined by taking the value, as of age at entry into the Plan, of the member's projected future benefits, reducing it by the value of future member contributions, and dividing it by the value, also as of the member's entry age, of the member's expected future salary.

In addition to normal cost contributions calculated per Plan, the employers in each Plan are required to make contributions to fund that plan's PUAL, if any. The actuarial liability is defined as the present value of future benefits less the present value of future normal costs, less future member contributions, and less expected IUUAL payments. The PUAL is the total of the actuarial liability for all members less the actuarial value of the Plan's assets. The actuarial liability includes projections of future member pay increases and future service credits.

The Initial Unpooled Unfunded Actuarial Liability (IUUAL) was calculated at entry into the Consolidated Plan for each PLD. For PLDs with liabilities greater than assets, these amounts are amortized by annual payments over a fixed number of years. Additional unpooled unfunded liability amounts that arise for a given PLD after its entry to the Consolidated Plan are amortized over a period of not more than 15 years.

2. Asset Valuation Method

The actuarial valuation employs a technique for determining the actuarial value of assets which dampens the swings in market value. The specific technique adopted in this valuation recognizes in a given year one-third of the investment return that is in excess of the 7.75% actuarial assumption for investment return.