

**Maine Public Employees
Retirement System
Retiree Group Life Insurance
Program**

**Participating Local Districts (PLDs)
Actuarial Valuation and GASB Statement
No. 74 Report
as of June 30, 2018**

**Presented by Cheiron
October 2018**

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Via Electronic Mail and UPS Delivery

October 29, 2018

Board of Trustees
Maine Public Employees Retirement System
P.O. Box 349
Augusta, Maine 04332-0349

Re: Maine Public Employees Retirement System Retiree Group Life Insurance Program Actuarial Valuation Report for the Participating Local Districts Plans.

Dear Members of the Board:

The purpose of this report is to provide accounting and financial reporting information under Governmental Accounting Standards Board (GASB) No. 74 and present the estimated Postretirement Group Life Insurance obligations as of June 30, 2018, for the Maine Public Employees Retirement System (MainePERS or System) based on a full valuation of the obligations as of June 30, 2018.

This report covers the participants of the Participating Local Districts Plans (PLDs).

This report includes:

- Determination of the discount rate,
- Projection of the Total OPEB Liability (TOL) as of the valuation date,
- Calculation of the Net OPEB Liability (NOL) at the discount rate as well as discount rates one percentage higher and lower than the discount rate, and
- Changes in the Net OPEB Liability,

We have determined the costs and liabilities for the substantive plan using actuarial assumptions and methods that we consider reasonable. The information in this biennial full valuation is for both financial disclosure and to provide information that is used to adjust funding strategies.

The current premium rates reflect rate changes adopted by the Board of Trustees based on a premium study conducted in 2016. The premiums were unchanged for PLD employees. PLD employees pay \$0.46 monthly per \$1,000 in coverage. Additional increases in future years will be determined by the next premium study in 2020.

In preparing our report, we relied on information (some oral and some written) supplied by the System. This information includes, but is not limited to, the plan provisions, employee data, and financial information. We performed an informal examination of the obvious characteristics of the data for reasonableness and consistency in accordance with Actuarial Standard of Practice No. 23.

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Future actuarial measurements may differ significantly from the current measurements due to such factors as the following: plan experience differing from that anticipated by the assumptions; changes in assumptions; and changes in plan provisions or applicable law.

To the best of our knowledge, this report and its contents have 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. Furthermore, as credentialed actuaries, we meet the Qualification Standards of the American Academy of Actuaries to render the opinion contained in this report. This report does not address any contractual or legal issues. We are not attorneys, and our firm does not provide any legal services or advice.

This report was prepared for the Maine Public Employees Retirement System for the purposes described herein and for the use by the Plan auditor in completing an audit related to the matters herein. Other users of this report are not intended users as defined in the Actuarial Standards of Practice, and Cheiron assumes no duty or liability to such other users.

Sincerely,
Cheiron



John Colberg, FSA, MAAA, EA
Principal Consulting Actuary



Michael J. Noble, FSA, FCA, MAAA, EA
Principal Consulting Actuary

**MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
 RETIREE GROUP LIFE INSURANCE FOR PARTICIPATING LOCAL DISTRICTS
 GASB 74 VALUATION REPORT AS OF JUNE 30, 2018**

SUMMARY OF KEY RESULTS

Section I – Funding Results

The tables below show results on a funding basis which reflect a discount rate of 6.875% in 2017 and a discount rate of 6.750% for 2018.

Table I-1		
Result Reflecting Funding Assumptions for PLDs		
	As of June 30, 2017	As of June 30, 2018
Actuarial Liability		
- Active Employees	\$ 9,593,519	\$ 9,540,327
- Retirees	\$ 15,920,118	\$ 18,733,810
Total	\$ 25,513,637	\$ 28,274,137
<i>Less: Assets at Valuation Date</i> ¹	<u>\$ 15,082,934</u>	<u>\$ 15,821,928</u>
Unfunded Actuarial Liability (UAL)	\$ 10,430,703	\$ 12,452,209

¹The assets shown have been adjusted to reflect only assets dedicated to retiree benefits.

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SUMMARY OF KEY RESULTS

Section II – Financial Reporting Results

This report is the second report under Governmental Accounting Standards Board (GASB) Statement No. 74. The reporting date for the Maine Public Employees Retirement System Retiree Group Life Insurance Program presented in this report is June 30, 2018. Measurements as of the reporting date are based on the fair value of assets as of June 30, 2018 and the Total OPEB Liability (TOL) as of the valuation date June 30, 2018 using a blended discount rate of 5.13%. There was an update of census data as well as a change in discount rate since the prior valuation.

Beginning of year measurements presented in this report are based on the Actuarial Valuation as of June 30, 2017. Since this is a full valuation, liability gains or losses due to experience are reported due to the updated census information. There was also a loss due to the blended discount rate changing from 5.41% to 5.13%.

In determining the OPEB expense under GASB No. 75, the impact of experience gains or losses and assumption changes on the TOL are recognized over the average expected remaining service life of all active and inactive members of the Plan, determined as of the beginning of the measurement period. As of June 30, 2018, this average for PLDs was 6.14 years which would be rounded to 6.00 years for recognition purposes.

Table II-1 below provides a summary of the key results during this reporting period ending on June 30, 2018.

Table II - 1 Summary of Results		
	Measurement Date 06/30/2017	Measurement Date 06/30/2018
Total OPEB Liability	\$ 31,804,436	\$ 36,022,905
Plan Fiduciary Net Position	15,082,934	15,821,928
Net OPEB Liability	<u>\$ 16,721,502</u>	<u>\$ 20,200,977</u>

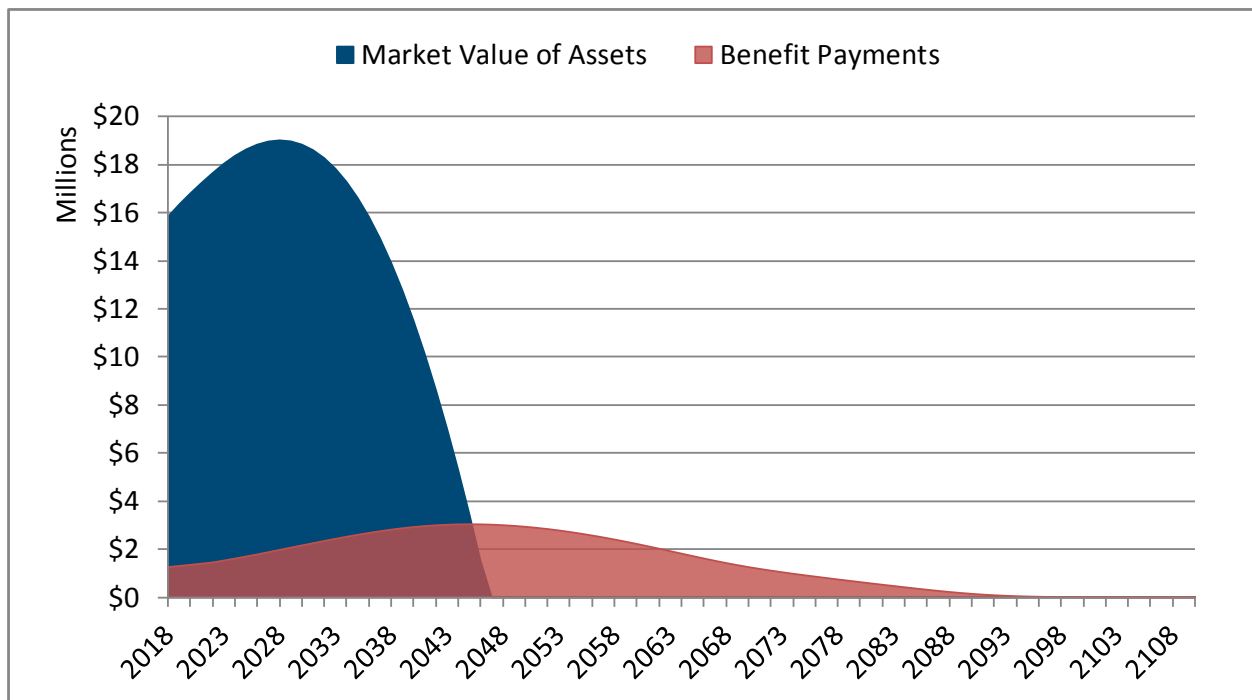
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DETERMINATION OF DISCOUNT RATE

MainePERS's funding policy is for PLD employees to pay \$0.46 monthly per \$1,000 in coverage for all participants. Of the \$0.46 for actives, \$0.22 is allocated to fund retiree benefits.

The discount rate at June 30, 2018 is 6.750% for funding purposes, which is the assumed long-term expected rate of return on plan investments. We have performed a formal cash flow projection as described under Paragraphs 48-53 of GASB Statement 74.

The discount rate used to measure the Total OPEB Liability was 5.13% which is a blend of the assumed long-term expected rate of return of 6.750% on the Plan's investments and a municipal bond index rate of 3.87% based on the Bond Buyer GO 20-Year Municipal Bond Index as of June 30, 2018. Following the procedures described in paragraphs 43 - 53 of GASB Statement 74, projections of the System's fiduciary net position have indicated that it is not expected to be sufficient to make projected benefit payments for current plan members after 2047. Therefore the portion of future projected benefit payments after 2047 are discounted at the municipal bond index rate. The results of these projections are shown in the chart below.



This discount rate is intended to be used for accounting and financial reporting, but is not appropriate for estimating the price to settle the plan's liability.

A similar calculation was made as of June 30, 2017 using a blend of the assumed long-term expected rate of return of 6.875% on the System's investments and a municipal bond index rate of 3.58%. This calculation resulted in a blended discount rate of 5.41%.

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DETERMINATION OF DISCOUNT RATE

The projection of cash flows used to determine the discount rate assumed that employer contributions continued to be made in accordance with the contribution policy in effect for the July 1, 2017 Actuarial Valuation.

Appendix B shows the details of this calculation as of June 30, 2018.

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PROJECTION OF TOTAL OPEB LIABILITY

The TOL is measured as of a valuation date of June 30, 2018. This is a full valuation, which is completed at least every two years, and roll forward valuations performed in the off years. The significant events in calculating the TOL as of the valuation date were an update in census data, a change in the discount rate for funding purposes to 6.75% from 6.875%, and a change in the blended discount rate used to measure the TOL from 5.41% to 5.13%. The table below shows the calculated TOL at discount rates equal to the rate used for disclosure purposes and plus and minus one percent from the rate used for disclosure purposes. The TOL has been determined using the entry age actuarial cost method as described in paragraph 54 of GASB Statement 74.

Table 2 shows the TOL as of the valuation date for the assumed discount rate as well as for plus and minus one percent of this discount rate.

Table II - 2			
Total OPEB Liability Sensitivity at 6/30/2018 Measurement Date			
Discount Rate	4.13%	5.13%	6.13%
Total OPEB Liability, 6/30/2018			
Actives	\$ 16,858,791	\$ 13,426,016	\$ 10,830,380
Deferred Vested	0	0	0
Retirees	25,651,658	22,596,889	20,077,543
Total	\$ 42,510,449	\$ 36,022,905	\$ 30,907,923

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NOTE DISCLOSURES

Table 3 below shows the changes in TOL, the plan fiduciary net position (i.e., fair value of plan assets), and the Net OPEB Liability during the measurement year. Since this is a full valuation, there is a difference between expected and actual experience due to the updated census information. The blended discount rate used to measure the TOL was changed from 5.41% to 5.13%, and the impact on the liability due to this change is noted in the changes of assumptions.

Table II - 3 Change in Net OPEB Liability - PLD			
	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at 06/30/2017	\$ 31,804,436	\$ 15,082,934	\$ 16,721,502
Changes for the year:			
Service cost	442,863		442,863
Interest	1,706,200		1,706,200
Changes of benefits	0		0
Changes of assumptions	1,554,074		1,554,074
Differences between expected and actual experience	2,045,678		2,045,678
Contributions - employer		1,069,640	(1,069,640)
Contributions - member		0	0
Net investment income		1,333,324	(1,333,324)
Benefit payments	(1,530,346)	(1,530,346)	0
Administrative expense	0	(133,624)	133,624
Net changes	4,218,469	738,994	3,479,475
Balances at 6/30/2018	\$ 36,022,905	\$ 15,821,928	\$ 20,200,977

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NOTE DISCLOSURES

Changes in the discount rate would affect the measurement of the TOL. Lower discount rates produce a higher TOL and higher discount rates produce a lower TOL. Because the discount rate does not affect the measurement of assets, the percentage change in the NOL can be very significant for a relatively small change in the discount rate. Table 4 shows the sensitivity of the TOL and NOL to the discount rate.

Table II - 4			
Sensitivity of Net OPEB Liability to Changes in Discount Rate			
	1% Decrease 4.13%	Discount Rate 5.13%	1% Increase 6.13%
Total OPEB Liability	\$ 42,510,449	\$ 36,022,905	\$ 30,907,923
Plan Fiduciary Net Position	<u>15,821,928</u>	<u>15,821,928</u>	<u>15,821,928</u>
Collective Net OPEB Liability	<u>\$ 26,688,521</u>	<u>\$ 20,200,977</u>	<u>\$ 15,085,995</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	37.2%	43.9%	51.2%

A one percent decrease in the discount rate increases the TOL by approximately 18.0% and increases the NOL by approximately 32.1%. A one percent increase in the discount rate decreases the TOL by approximately 14.2% and decreases the NOL by approximately 25.3%.

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REQUIRED SUPPLEMENTARY INFORMATION

The schedules of Required Supplementary Information generally start with one year of information as of the implementation of GASB 74 but eventually will need to build up to 10 years of information. The schedule below shows the changes in NOL and related ratios required by GASB.

**Table II - 5
 Schedule of Changes in Net OPEB Liability and Related Ratios**

	FY 2018	FYE 2017
<u>Total OPEB Liability</u>		
Service cost (BOY)	\$ 442,863	\$ 619,735
Interest (includes interest on service cost)	1,706,200	1,616,253
Changes of benefit terms	0	0
Differences between expected and actual experience	2,045,678	0
Changes of assumptions	1,554,074	(5,591,242)
Benefit payments, including refunds of member contributions	<u>(1,530,346)</u>	<u>(1,394,586)</u>
Net change in total OPEB liability	4,218,469	(4,749,840)
Total OPEB liability - beginning	<u>31,804,436</u>	<u>36,554,276</u>
Total OPEB liability - ending	<u>\$ 36,022,905</u>	<u>\$ 31,804,436</u>
<u>Plan fiduciary net position</u>		
Contributions - employer	\$ 1,069,640	\$ 1,037,124
Contributions - member	0	0
Net investment income	1,333,324	1,738,914
Benefit payments, including refunds of member contributions	(1,530,346)	(1,394,586)
Administrative expense	<u>(133,624)</u>	<u>(238,856)</u>
Net change in plan fiduciary net position	\$ 738,994	\$ 1,142,596
Plan fiduciary net position - beginning	<u>15,082,934</u>	<u>13,940,338</u>
Plan fiduciary net position - ending	<u>\$ 15,821,928</u>	<u>\$ 15,082,934</u>
Net OPEB liability - ending	<u>\$ 20,200,977</u>	<u>\$ 16,721,502</u>
Plan fiduciary net position as a percentage of the total OPEB liability	43.92%	47.42%
Covered employee payroll	\$ 276,287,000	\$ 260,552,680
Net OPEB liability as a percentage of covered employee payroll	7.31%	6.42%

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REQUIRED SUPPLEMENTARY INFORMATION

If an Actuarially Determined Contribution is calculated, the following schedule is required. An Actuarially Determined Contribution is a contribution amount determined in accordance with Actuarial Standards of Practice.

Table II - 6 Schedule of Employer Contributions During Fiscal Year 2018	
	PLD
Actuarially Determined Contribution	\$ 1,252,650
Contributions in Relation to the Actuarially Determined Contribution	1,069,640
Contribution Deficiency/(Excess)	\$ 183,010
Covered Payroll	\$ 276,287,000
Contributions as a Percentage of Covered Payroll	0.39%

Notes to Schedule

Valuation Date: June 30, 2016

Timing: Actuarially determined contribution rates are calculated based on the actuarial valuation completed 12 months before the beginning of the fiscal year.

Key Methods and Assumptions Used to Determine Contribution Rates for FY 2018

Actuarial Cost Method: Entry Age Normal

Asset Valuation Method: Market Value

Amortization Method: Level percent of pay closed period with 13 years remaining for FY 2018

Discount Rate: 6.875%

Administrative Expense Load: 8.66%

A complete description of the methods and assumptions used to determine contribution rates for the year ending June 30, 2018 can be found in the June 30, 2016 Actuarial Valuation report.

**MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
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APPENDIX A – PARTICIPANT DATA

Participant Data as of June 30, 2018

TABLE A-1 ACTIVE MEMBER DATA				
Group	Count	Average Age	Average Service	Average Salary
PLDs	5,495	49.5	10.7	\$ 50,280

TABLE A-2 NON-ACTIVE MEMBER DATA			
Group	Count	Average Age	Average Benefit¹
PLDs	2,850	71.9	\$ 17,136

¹Ultimate benefit (40% of initial base benefit)

Note that all assumptions are based on the MainePERS Pension assumptions, which were updated after the experience study performed for this valuation year except for the discount rate which was lowered for this year's valuation.

In determining the OPEB expense under GASB No. 75, the impact of experience gains or losses and assumption changes on the TOL are recognized over the average expected remaining service life of all active and inactive members of the Plan, determined as of the beginning of the measurement period. As of June 30, 2018, this average for PLDs was 6.14 years which would be rounded to 6.00 years for recognition purposes.

**MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
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APPENDIX B – DETAILS OF INTEREST RATE CALCULATION

Table B-1 - Projection of Contributions

Projections Commence June 30, 2018

* Total covered-employee payroll increases 2.75% per year

Year	Payroll for Current Employees (a)	Payroll for Future Employees (b)	Total Employee Payroll* (c) = (a) + (b)	Premium Contribution Rate (d)	UAL Rate (e)	Employer Contributions for Current Employees (f) = (a) x (d)	Contributions Related to Payroll of Future Employees	Total Contributions (h) = (f) + (g)
							(g) = (b) x (e)	
1	\$ 276,287,000	\$ 0	\$ 276,287,000	0.26%	0.16%	\$ 718,346	\$ 0	\$ 718,346
2	236,939,447	46,945,446	283,884,893	0.26%	0.16%	616,043	64,386	680,428
3	217,828,705	73,863,022	291,691,727	0.26%	0.16%	566,355	108,090	674,444
4	201,333,324	98,379,926	299,713,250	0.26%	0.16%	523,467	147,856	671,323
5	186,126,198	121,829,166	307,955,364	0.26%	0.16%	483,928	185,866	669,794
6	172,419,291	144,004,845	316,424,136	0.26%	0.16%	448,290	221,782	670,072
7	159,308,586	165,817,214	325,125,800	0.26%	0.16%	414,202	257,093	671,295
8	147,296,565	186,770,195	334,066,760	0.26%	0.16%	382,971	290,987	673,958
9	136,224,162	207,029,434	343,253,596	0.26%	0.16%	354,183	323,735	677,918
10	125,752,285	226,940,784	352,693,069	0.26%	0.16%	326,956	355,904	682,860
11	115,566,185	246,825,944	362,392,129	0.26%	0.16%	300,472	388,017	688,490
12	106,604,274	265,753,638	372,357,912	0.26%	0.16%	277,171	418,553	695,724
13	98,024,208	284,573,547	382,597,755	0.26%	0.16%	254,863	448,900	703,763
14	90,012,777	303,106,416	393,119,193	0.26%	0.16%	234,033	478,765	712,798
15	82,084,182	321,845,789	403,929,971	0.26%	0.16%	213,419	508,955	722,374
16	74,311,846	340,726,199	415,038,045	0.26%	0.16%	193,211	539,363	732,574
17	67,742,892	358,708,699	426,451,591	0.26%	0.16%	176,132	568,289	744,420
18	61,485,499	376,693,511	438,179,010	0.26%	0.16%	159,862	597,204	757,067
19	56,141,443	394,087,490	450,228,933	0.26%	0.16%	145,968	625,139	771,107
20	50,530,057	412,080,172	462,610,229	0.26%	0.16%	131,378	654,039	785,417
21	45,402,849	429,929,161	475,332,010	0.26%	0.16%	118,047	682,688	800,736
22	40,506,745	447,896,895	488,403,640	0.26%	0.16%	105,318	711,517	816,834
23	36,561,396	465,273,344	501,834,740	0.26%	0.16%	95,060	739,362	834,422
24	32,461,639	483,173,557	515,635,196	0.26%	0.16%	84,400	768,049	852,449
25	28,252,906	501,562,258	529,815,164	0.26%	0.16%	73,458	797,517	870,975
26	24,376,050	520,009,031	544,385,081	0.26%	0.16%	63,378	827,064	890,442
27	20,502,077	538,853,593	559,355,670	0.26%	0.16%	53,305	857,245	910,550
28	17,747,363	556,990,588	574,737,951	0.26%	0.16%	46,143	886,249	932,392
29	15,284,226	575,259,019	590,543,245	0.26%	0.16%	39,739	915,450	955,189
30	12,838,836	593,944,348	606,783,184	0.26%	0.16%	33,381	945,314	978,695
31	11,314,533	612,155,189	623,469,722	0.26%	0.16%	29,418	974,382	1,003,800
32	9,783,573	630,831,566	640,615,139	0.26%	0.16%	25,437	1,004,192	1,029,629
33	8,397,728	649,834,327	658,232,055	0.26%	0.16%	21,834	1,034,515	1,056,349
34	7,116,423	669,217,014	676,333,437	0.26%	0.16%	18,503	1,065,439	1,083,942
35	5,892,715	689,039,891	694,932,606	0.26%	0.16%	15,321	1,097,061	1,112,382
36	4,810,244	709,233,009	714,043,253	0.26%	0.16%	12,507	1,129,267	1,141,773
37	4,017,269	729,662,174	733,679,443	0.26%	0.16%	10,445	1,161,836	1,172,281
38	3,108,134	750,747,493	753,855,627	0.26%	0.16%	8,081	1,195,455	1,203,536
39	2,345,457	772,241,200	774,586,657	0.26%	0.16%	6,098	1,229,717	1,235,816
40	1,918,342	793,969,448	795,887,790	0.26%	0.16%	4,988	1,264,339	1,269,327
41	1,574,683	816,200,021	817,774,704	0.26%	0.16%	4,094	1,299,757	1,303,851
42	1,091,214	839,172,295	840,263,509	0.26%	0.16%	2,837	1,336,362	1,339,200
43	797,408	862,573,347	863,370,755	0.26%	0.16%	2,073	1,373,642	1,375,715
44	553,880	886,559,571	887,113,451	0.26%	0.16%	1,440	1,411,852	1,413,292
45	385,161	911,123,910	911,509,071	0.26%	0.16%	1,001	1,450,979	1,451,980
46	274,876	936,300,694	936,575,570	0.26%	0.16%	715	1,491,078	1,491,793
47	177,902	962,153,496	962,331,398	0.26%	0.16%	463	1,532,254	1,532,717
48	96,748	988,698,764	988,795,512	0.26%	0.16%	252	1,574,532	1,574,783
49	48,805	1,015,938,583	1,015,987,388	0.26%	0.16%	127	1,617,914	1,618,041
50	20,568	1,043,906,474	1,043,927,042	0.26%	0.16%	53	1,662,455	1,662,509

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APPENDIX B – DETAILS OF INTEREST RATE CALCULATION

Table B-1 - Projection of Contributions

Projections Commence June 30, 2018

* Total covered-employee payroll increases 2.75% per year

Year	Payroll for Current Employees (a)	Payroll for Future Employees (b)	Total Employee Payroll* (c) = (a) + (b)	ER Rate (e)	AL Rate (f)	Employer Contributions for Current Employees (h) = (a) x (e)	Contributions Related to Payroll of Future Employees	Total Contributions (j) = (g) + (h) + (i)
							(i) = (b) x (f)	
51	9,547	1,072,625,488	1,072,635,035	0.26%	0.16%	25	1,708,192	1,708,217
52	1,418	1,102,131,081	1,102,132,499	0.26%	0.16%	4	1,755,181	1,755,184
53	0	1,132,441,142	1,132,441,142	0.26%	0.16%	0	1,803,451	1,803,451
54	0	1,163,583,274	1,163,583,274	0.26%	0.16%	0	1,853,046	1,853,046
55	0	1,195,581,814	1,195,581,814	0.26%	0.16%	0	1,904,004	1,904,004
56	0	1,228,460,314	1,228,460,314	0.26%	0.16%	0	1,956,364	1,956,364
57	0	1,262,242,972	1,262,242,972	0.26%	0.16%	0	2,010,164	2,010,164
58	0	1,296,954,654	1,296,954,654	0.26%	0.16%	0	2,065,444	2,065,444
59	0	1,332,620,907	1,332,620,907	0.26%	0.16%	0	2,122,244	2,122,244
60	0	1,369,267,982	1,369,267,982	0.26%	0.16%	0	2,180,605	2,180,605
61	0	1,406,922,852	1,406,922,852	0.26%	0.16%	0	2,240,572	2,240,572
62	0	1,445,613,230	1,445,613,230	0.26%	0.16%	0	2,302,188	2,302,188
63	0	1,485,367,594	1,485,367,594	0.26%	0.16%	0	2,365,498	2,365,498
64	0	1,526,215,203	1,526,215,203	0.26%	0.16%	0	2,430,549	2,430,549
65	0	1,568,186,121	1,568,186,121	0.26%	0.16%	0	2,497,389	2,497,389
66	0	1,611,311,239	1,611,311,239	0.26%	0.16%	0	2,566,067	2,566,067
67	0	1,655,622,298	1,655,622,298	0.26%	0.16%	0	2,636,634	2,636,634
68	0	1,701,151,911	1,701,151,911	0.26%	0.16%	0	2,709,142	2,709,142
69	0	1,747,933,589	1,747,933,589	0.26%	0.16%	0	2,783,643	2,783,643
70	0	1,796,001,763	1,796,001,763	0.26%	0.16%	0	2,860,193	2,860,193
71	0	1,845,391,811	1,845,391,811	0.26%	0.16%	0	2,938,849	2,938,849
72	0	1,896,140,086	1,896,140,086	0.26%	0.16%	0	3,019,667	3,019,667
73	0	1,948,283,938	1,948,283,938	0.26%	0.16%	0	3,102,708	3,102,708
74	0	2,001,861,747	2,001,861,747	0.26%	0.16%	0	3,188,032	3,188,032
75	0	2,056,912,945	2,056,912,945	0.26%	0.16%	0	3,275,703	3,275,703
76	0	2,113,478,051	2,113,478,051	0.26%	0.16%	0	3,365,785	3,365,785
77	0	2,171,598,697	2,171,598,697	0.26%	0.16%	0	3,458,344	3,458,344
78	0	2,231,317,661	2,231,317,661	0.26%	0.16%	0	3,553,449	3,553,449
79	0	2,292,678,897	2,292,678,897	0.26%	0.16%	0	3,651,168	3,651,168
80	0	2,355,727,567	2,355,727,567	0.26%	0.16%	0	3,751,576	3,751,576
81	0	2,420,510,075	2,420,510,075	0.26%	0.16%	0	3,854,744	3,854,744
82	0	2,487,074,102	2,487,074,102	0.26%	0.16%	0	3,960,749	3,960,749
83	0	2,555,468,639	2,555,468,639	0.26%	0.16%	0	4,069,670	4,069,670
84	0	2,625,744,027	2,625,744,027	0.26%	0.16%	0	4,181,586	4,181,586
85	0	2,697,951,988	2,697,951,988	0.26%	0.16%	0	4,296,579	4,296,579
86	0	2,772,145,667	2,772,145,667	0.26%	0.16%	0	4,414,735	4,414,735
87	0	2,848,379,673	2,848,379,673	0.26%	0.16%	0	4,536,141	4,536,141
88	0	2,926,710,114	2,926,710,114	0.26%	0.16%	0	4,660,884	4,660,884
89	0	3,007,194,642	3,007,194,642	0.26%	0.16%	0	4,789,059	4,789,059
90	0	3,089,892,495	3,089,892,495	0.26%	0.16%	0	4,920,758	4,920,758
91	0	3,174,864,539	3,174,864,539	0.26%	0.16%	0	5,056,079	5,056,079
92	0	3,262,173,314	3,262,173,314	0.26%	0.16%	0	5,195,121	5,195,121
93	0	3,351,883,080	3,351,883,080	0.26%	0.16%	0	5,337,987	5,337,987
94	0	3,444,059,864	3,444,059,864	0.26%	0.16%	0	5,484,781	5,484,781
95	0	3,538,771,511	3,538,771,511	0.26%	0.16%	0	5,635,613	5,635,613
96	0	3,636,087,727	3,636,087,727	0.26%	0.16%	0	5,790,592	5,790,592
97	0	3,736,080,140	3,736,080,140	0.26%	0.16%	0	5,949,833	5,949,833
98	0	3,838,822,344	3,838,822,344	0.26%	0.16%	0	6,113,454	6,113,454
99	0	3,944,389,958	3,944,389,958	0.26%	0.16%	0	6,281,574	6,281,574

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APPENDIX B – DETAILS OF INTEREST RATE CALCULATION

Table B-2 - Projection of the Pension Plan's Fiduciary Net Position					
Projections Commence June 30, 2018					
* From Table 1 - Projection of Contributions, column (h)					
Year	Projected Beginning Fiduciary Net Position	Projected Total Contributions*	Projected Benefit Payments	Projected Investment Earnings	Projected Ending Fiduciary Net Position
	(a)	(b)	(c)	(d)	(e) = (a) + (b) - (c) + (d)
1	\$ 15,821,928	\$ 718,346	\$ 1,256,175	\$ 1,050,125	\$ 16,334,224
2	16,334,224	680,428	1,301,659	1,081,936	16,794,930
3	16,794,930	674,444	1,349,667	1,111,241	17,230,948
4	17,230,948	671,323	1,397,760	1,138,972	17,643,483
5	17,643,483	669,794	1,448,721	1,165,076	18,029,631
6	18,029,631	670,072	1,527,384	1,188,538	18,360,857
7	18,360,857	671,295	1,611,051	1,208,159	18,629,260
8	18,629,260	673,958	1,695,253	1,223,569	18,831,534
9	18,831,534	677,918	1,782,742	1,234,450	18,961,160
10	18,961,160	682,860	1,875,851	1,240,272	19,008,441
11	19,008,441	688,490	1,970,794	1,240,499	18,966,635
12	18,966,635	695,724	2,064,601	1,234,803	18,832,560
13	18,832,560	703,763	2,157,620	1,222,931	18,601,635
14	18,601,635	712,798	2,249,174	1,204,604	18,269,863
15	18,269,863	722,374	2,341,835	1,179,451	17,829,855
16	17,829,855	732,574	2,431,180	1,147,123	17,278,372
17	17,278,372	744,420	2,517,883	1,107,413	16,612,323
18	16,612,323	757,067	2,599,866	1,060,153	15,829,676
19	15,829,676	771,107	2,677,199	1,005,223	14,928,806
20	14,928,806	785,417	2,748,895	942,509	13,907,837
21	13,907,837	800,736	2,814,305	871,931	12,766,199
22	12,766,199	816,834	2,871,512	793,505	11,505,026
23	11,505,026	834,422	2,921,258	707,309	10,125,499
24	10,125,499	852,449	2,962,897	613,407	8,628,457
25	8,628,457	870,975	2,994,473	511,923	7,016,882
26	7,016,882	890,442	3,017,935	403,009	5,292,399
27	5,292,399	910,550	3,032,365	286,795	3,457,378
28	3,457,378	932,392	3,037,821	163,475	1,515,425
29	1,515,425	955,189	3,034,378	33,264	0
30	0	978,695	3,021,033	0	0
31	0	1,003,800	2,999,870	0	0
32	0	1,029,629	2,970,683	0	0
33	0	1,056,349	2,933,773	0	0
34	0	1,083,942	2,890,119	0	0
35	0	1,112,382	2,839,599	0	0
36	0	1,141,773	2,781,831	0	0
37	0	1,172,281	2,717,080	0	0
38	0	1,203,536	2,646,203	0	0
39	0	1,235,816	2,570,070	0	0
40	0	1,269,327	2,489,200	0	0
41	0	1,303,851	2,403,595	0	0
42	0	1,339,200	2,313,178	0	0
43	0	1,375,715	2,219,126	0	0
44	0	1,413,292	2,121,577	0	0
45	0	1,451,980	2,021,173	0	0
46	0	1,491,793	1,919,443	0	0
47	0	1,532,717	1,817,154	0	0
48	0	1,574,783	1,715,318	0	0
49	0	1,618,041	1,614,852	0	0
50	0	1,662,509	1,517,603	0	0

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Table B-2 - Projection of the Pension Plan's Fiduciary Net Position					
Projections Commence June 30, 2018					
* From Table 1 - Projection of Contributions, column (j)					
Year	Projected Beginning Fiduciary Net Position	Projected Total Contributions*	Projected Benefit Payments	Projected Investment Earnings	Projected Ending Fiduciary Net Position
	(a)	(b)	(c)	(e)	(f) = (a) + (b) - (c) - (d) + (e)
51	0	1,708,217	1,425,230	0	0
52	0	1,755,184	1,338,231	0	0
53	0	1,803,451	1,256,890	0	0
54	0	1,853,046	1,181,283	0	0
55	0	1,904,004	1,110,318	0	0
56	0	1,956,364	1,043,211	0	0
57	0	2,010,164	979,310	0	0
58	0	2,065,444	918,202	0	0
59	0	2,122,244	858,961	0	0
60	0	2,180,605	800,781	0	0
61	0	2,240,572	743,526	0	0
62	0	2,302,188	687,536	0	0
63	0	2,365,498	631,695	0	0
64	0	2,430,549	576,361	0	0
65	0	2,497,389	522,356	0	0
66	0	2,566,067	468,835	0	0
67	0	2,636,634	416,044	0	0
68	0	2,709,142	363,960	0	0
69	0	2,783,643	313,635	0	0
70	0	2,860,193	265,615	0	0
71	0	2,938,849	220,702	0	0
72	0	3,019,667	179,549	0	0
73	0	3,102,708	142,874	0	0
74	0	3,188,032	111,182	0	0
75	0	3,275,703	84,326	0	0
76	0	3,365,785	62,502	0	0
77	0	3,458,344	45,193	0	0
78	0	3,553,449	31,863	0	0
79	0	3,651,168	21,899	0	0
80	0	3,751,576	14,651	0	0
81	0	3,854,744	9,537	0	0
82	0	3,960,749	6,026	0	0
83	0	4,069,670	3,698	0	0
84	0	4,181,586	2,201	0	0
85	0	4,296,579	1,271	0	0
86	0	4,414,735	710	0	0
87	0	4,536,141	385	0	0
88	0	4,660,884	203	0	0
89	0	4,789,059	104	0	0
90	0	4,920,758	52	0	0
91	0	5,056,079	25	0	0
92	0	5,195,121	12	0	0
93	0	5,337,987	6	0	0
94	0	5,484,781	3	0	0
95	0	5,635,613	1	0	0
96	0	5,790,592	1	0	0
97	0	5,949,833	0	0	0
98	0	6,113,454	0	0	0
99	0	6,281,574	0	0	0

**MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
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APPENDIX B – DETAILS OF INTEREST RATE CALCULATION

Table B-3 - Actuarial Present Values of Projected Benefit Payments							
Projections Commence June 30, 2018							
* From Table 2 - Projection of the Pension Plan's Fiduciary Net Position, column (a)							
** From Table 2 - Projection of the Pension Plan's Fiduciary Net Position, column (c)							
Year	Projected Beginning Fiduciary Net Position*	Projected Benefit Payments for current Plan participants**	"Funded" Portion of Benefit Payments (d) = (c) if (b) >= (c)	"Unfunded" Portion of Benefit Payments (e) = (c) - (d)	Present Value of "Funded" Benefit Payments (f) = (d) / (1+6.75%)^(a)	Present Value of "Unfunded" Benefit Payments (g) = (e) / (1+3.87%)^(a)	Present Value of Benefit Payments Using the Single Discount Rate (h) = (c) / (1+5.13%)^(a)
(a)	(b)	(c)	(d) = (c) if (b) >= (c)	(e) = (c) - (d)	(f) = (d) / (1+6.75%)^(a)	(g) = (e) / (1+3.87%)^(a)	(h) = (c) / (1+5.13%)^(a)
1	\$ 15,821,928	\$ 1,256,175	\$ 1,256,175	\$ 0	\$ 1,215,811	\$ 0	\$ 1,225,145
2	16,334,224	1,301,659	1,301,659	0	1,180,172	0	1,207,560
3	16,794,930	1,349,667	1,349,667	0	1,146,323	0	1,191,003
4	17,230,948	1,397,760	1,397,760	0	1,112,103	0	1,173,257
5	17,643,483	1,448,721	1,448,721	0	1,079,765	0	1,156,698
6	18,029,631	1,527,384	1,527,384	0	1,066,412	0	1,159,999
7	18,360,857	1,611,051	1,611,051	0	1,053,702	0	1,163,840
8	18,629,260	1,695,253	1,695,253	0	1,038,665	0	1,164,912
9	18,831,534	1,782,742	1,782,742	0	1,023,202	0	1,165,256
10	18,961,160	1,875,851	1,875,851	0	1,008,564	0	1,166,288
11	19,008,441	1,970,794	1,970,794	0	992,609	0	1,165,529
12	18,966,635	2,064,601	2,064,601	0	974,105	0	1,161,429
13	18,832,560	2,157,620	2,157,620	0	953,622	0	1,154,531
14	18,601,635	2,249,174	2,249,174	0	931,229	0	1,144,796
15	18,269,863	2,341,835	2,341,835	0	908,285	0	1,133,799
16	17,829,855	2,431,180	2,431,180	0	883,314	0	1,119,621
17	17,278,372	2,517,883	2,517,883	0	856,970	0	1,102,971
18	16,612,323	2,599,866	2,599,866	0	828,921	0	1,083,313
19	15,829,676	2,677,199	2,677,199	0	799,604	0	1,061,105
20	14,928,806	2,748,895	2,748,895	0	769,103	0	1,036,359
21	13,907,837	2,814,305	2,814,305	0	737,615	0	1,009,247
22	12,766,199	2,871,512	2,871,512	0	705,019	0	979,516
23	11,505,026	2,921,258	2,921,258	0	671,881	0	947,862
24	10,125,499	2,962,897	2,962,897	0	638,368	0	914,463
25	8,628,457	2,994,473	2,994,473	0	604,376	0	879,113
26	7,016,882	3,017,935	3,017,935	0	570,596	0	842,769
27	5,292,399	3,032,365	3,032,365	0	537,072	0	805,480
28	3,457,378	3,037,821	3,037,821	0	504,017	0	767,555
29	1,515,425	3,034,378	1,515,425	1,518,953	235,532	514,725	729,276
30	0	3,021,033	0	3,021,033	0	985,591	690,640
31	0	2,999,870	0	2,999,870	0	942,223	652,339
32	0	2,970,683	0	2,970,683	0	898,291	614,472
33	0	2,933,773	0	2,933,773	0	854,077	577,227
34	0	2,890,119	0	2,890,119	0	810,021	540,892
35	0	2,839,599	0	2,839,599	0	766,209	505,505
36	0	2,781,831	0	2,781,831	0	722,655	471,058
37	0	2,717,080	0	2,717,080	0	679,536	437,643
38	0	2,646,203	0	2,646,203	0	637,152	405,430
39	0	2,570,070	0	2,570,070	0	595,765	374,552
40	0	2,489,200	0	2,489,200	0	555,520	345,065
41	0	2,403,595	0	2,403,595	0	516,429	316,940
42	0	2,313,178	0	2,313,178	0	478,485	290,134
43	0	2,219,126	0	2,219,126	0	441,928	264,756
44	0	2,121,577	0	2,121,577	0	406,760	240,767
45	0	2,021,173	0	2,021,173	0	373,072	218,181
46	0	1,919,443	0	1,919,443	0	341,094	197,089
47	0	1,817,154	0	1,817,154	0	310,886	177,482
48	0	1,715,318	0	1,715,318	0	282,529	159,361
49	0	1,614,852	0	1,614,852	0	256,072	142,707
50	0	1,517,603	0	1,517,603	0	231,684	127,569

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APPENDIX B – DETAILS OF INTEREST RATE CALCULATION

Table B-3 - Actuarial Present Values of Projected Benefit Payments							
Projections Commence June 30, 2018							
* From Table 2 - Projection of the Pension Plan's Fiduciary Net Position, column (a)							
** From Table 2 - Projection of the Pension Plan's Fiduciary Net Position, column (c)							
Year	Projected Beginning Fiduciary Net Position*	Projected Benefit Payments for current Plan participants**	"Funded" Portion of Benefit Payments (d) = (c) if (b) >= (c)	"Unfunded" Portion of Benefit Payments (e) = (c) - (d)	Present Value of "Funded" Benefit Payments (f) = (d) / (1+6.75%)^(a)	Present Value of "Unfunded" Benefit Payments (g) = (e) / (1+3.87%)^(a)	Present Value of Benefit Payments Using the Single Discount Rate (h) = (c) / (1+5.13%)^(a)
(a)	(b)	(c)	(d) = (c) if (b) >= (c)	(e) = (c) - (d)	(f) = (d) / (1+6.75%)^(a)	(g) = (e) / (1+3.87%)^(a)	(h) = (c) / (1+5.13%)^(a)
51	\$ 0	\$ 1,425,230	\$ 0	\$ 1,425,230	\$ 0	\$ 209,476	\$ 113,958
52	0	1,338,231	0	1,338,231	0	189,360	101,781
53	0	1,256,890	0	1,256,890	0	171,224	90,930
54	0	1,181,283	0	1,181,283	0	154,929	81,290
55	0	1,110,318	0	1,110,318	0	140,196	72,678
56	0	1,043,211	0	1,043,211	0	126,815	64,954
57	0	979,310	0	979,310	0	114,611	58,000
58	0	918,202	0	918,202	0	103,456	51,727
59	0	858,961	0	858,961	0	93,175	46,029
60	0	800,781	0	800,781	0	83,628	40,817
61	0	743,526	0	743,526	0	74,756	36,050
62	0	687,536	0	687,536	0	66,551	31,708
63	0	631,695	0	631,695	0	58,867	27,712
64	0	576,361	0	576,361	0	51,710	24,050
65	0	522,356	0	522,356	0	45,118	20,733
66	0	468,835	0	468,835	0	38,987	17,701
67	0	416,044	0	416,044	0	33,308	14,941
68	0	363,960	0	363,960	0	28,052	12,433
69	0	313,635	0	313,635	0	23,273	10,191
70	0	265,615	0	265,615	0	18,975	8,210
71	0	220,702	0	220,702	0	15,179	6,489
72	0	179,549	0	179,549	0	11,889	5,021
73	0	142,874	0	142,874	0	9,108	3,801
74	0	111,182	0	111,182	0	6,824	2,813
75	0	84,326	0	84,326	0	4,982	2,030
76	0	62,502	0	62,502	0	3,555	1,431
77	0	45,193	0	45,193	0	2,475	984
78	0	31,863	0	31,863	0	1,680	660
79	0	21,899	0	21,899	0	1,112	431
80	0	14,651	0	14,651	0	716	275
81	0	9,537	0	9,537	0	449	170
82	0	6,026	0	6,026	0	273	102
83	0	3,698	0	3,698	0	161	60
84	0	2,201	0	2,201	0	92	34
85	0	1,271	0	1,271	0	51	19
86	0	710	0	710	0	28	10
87	0	385	0	385	0	14	5
88	0	203	0	203	0	7	3
89	0	104	0	104	0	4	1
90	0	52	0	52	0	2	1
91	0	25	0	25	0	1	0
92	0	12	0	12	0	0	0
93	0	6	0	6	0	0	0
94	0	3	0	3	0	0	0
95	0	1	0	1	0	0	0
96	0	1	0	1	0	0	0
97	0	0	0	0	0	0	0
98	0	0	0	0	0	0	0
99	0	0	0	0	0	0	0
					\$ 25,026,957	+ \$ 14,485,775	= \$ 39,512,732

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APPENDIX C – ASSUMPTIONS, AND METHODS

Economic Assumptions

Valuation Date: June 30, 2018

Funding Investment Return: 6.750% per year

GASB Beginning of Year Liability Return: 5.41% per year

GASB End of Year Liability Return: 5.13% per year

Cost-of-Living Increases in Life Benefits:

N/A. Unlike pension benefits, Life Benefits do not increase with Cost of Living.

Premium Expense Assumption:

To reflect administrative expenses associated with the distribution of benefits, the following loads have been added to the liabilities, normal cost, and benefit payments.

PLDs: 8.66% of claims

Rates of Salary Increase (Experience-based sample rates by service including both merit scale increase and yearly increase):

Service	PLD
0	9.00%
5	2.75%
10	2.75%
15	2.75%
20	2.75%
25+	2.75%

Demographic Assumptions

Rates of Termination (Experience-based sample rates by service):

Service	PLDs	PLDs Special
0	25.00%	25.00%
5	9.00	4.00
10	6.00	2.50
15	4.00	2.50
20	2.50	2.50
25	2.50	2.50

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Rates of Mortality

PLD Healthy Employees:

Rates for Active PLD employees are based on 104% and 120% of the RP-2014 Total Dataset Employee Mortality Table, respectively, for males and females, using the RP-2014 Total Dataset Healthy Annuitant Mortality Table rates after the end of the Total Employee Mortality Table, both projected from the 2006 base rates using the RPEC_2015 model, with an ultimate rate of 0.85% for ages 20-85, grading down to an ultimate rate of 0.00% for ages 111-120, and convergence to the ultimate rate in the year 2020.

Rates for Retiree PLD employees are based on 104% and 120% of the RP-2014 Total Dataset Healthy Annuitant Mortality Table, respectively, for males and females, using the RP-2014 Total Dataset Employee Mortality Table for ages prior to start of the Healthy Annuitant Mortality Table, both projected from the 2006 base rates using the RPEC_2015 model, with an ultimate rate of 0.85% for ages 20-85 grading down to an ultimate rate of 0.00% for ages 111-120, and convergence to the ultimate rate in the year 2020.

Age	PLD	
	Male	Female
20	4	2
30	4	3
40	6	5
50	18	13
60	80	64
65	114	98
70	177	158
75	289	259
80	486	437
85	845	773
90	1,479	1,374
95	2,326	2,253

Sample Rates – Number of deaths per 10,000 members, showing values in 2015. Ages 20-50 show sample rates for actives, ages 60+ show sample rates for retirees.

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APPENDIX C – ASSUMPTIONS, AND METHODS

Rates of Retirement (Experience-based sample retirements per 1,000 members by age):

PLD Regular:

Age	Tier 1	Tier 2
45	50	50
50	50	50
55	50	50
60	200	50
65	250	200
70	1,000	1,000

PLD Special:

Age	Assumption
20	400
21-24	300
25	400
26-29	300
30	400
31-34	300
35+	1,000

Participants who are not members of MainePERS: Age 62

Rates of Disability (Experience-based sample disablements per 10,000 members by service):

Age	PLDs
25	1.8
30	2.4
35	3.0
40	4.2
45	9.0
50	19.8
55	36.6
60	65.0

Participation Percent for Future Retirees:

100% of those currently enrolled (unique to this valuation).

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APPENDIX C – ASSUMPTIONS, AND METHODS

Other Assumptions (Unique to this Valuation)

Conversion Charges: Applies to the cost of active group life insurance, not retiree group life insurance.

Form of Benefit

Payment: Lump Sum

Actuarial Cost Method

The individual entry age normal method is used to determine liabilities. Under this funding method, a normal cost rate is calculated for each member. This rate is determined by taking the value, as of age at entry into the Program, of the member's projected future benefits, and dividing it by the value, also as of the member's entry age of his expected future salary. The normal cost for each member is the product of their annual salary at the valuation date and their normal cost rate. The normal cost amount for the group is then the sum of the normal costs for all members.

The Actuarial Liability is defined as the present value of future benefits, as of the valuation date, for all current members less the present value of future normal costs for all current members. For funding purposes, the Unfunded Actuarial Liability is then equal to the Actuarial Liability, less the actuarial value of the System's assets.

The discount rate used reflects the long-term funding policy to fully fund the benefits on an actuarial basis by FY 2031 for PLDs.

Asset Valuation Methods

Figures were reported by MainePERS without audit or change.

Rationale for Assumptions

The MainePERS Pension assumptions were adopted by the Board of Trustees at their July 14, 2016 meeting. The demographic assumptions adopted are based on an experience study covering the period from June 30, 2012 through June 30, 2015 and the economic assumptions are based on this experience study along with advice of the MainePERS investment consultants.

Changes Since Last Valuation

The long term investment return assumption was lowered from 6.875% to 6.750% based on a decision adopted by the Board of Trustees at their June 14, 2018 meeting. The blended rate decreased from 5.41% to 5.13%, to reflect the blending of projections between the long term investment return assumption of 6.750% and the Bond Buyer GO 20-Year Municipal Bond Index: 3.87% as of June 30, 2018.

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APPENDIX D – SUMMARY OF KEY PLAN PROVISIONS

Membership

Service Retirement: A retiree must have participated in the group life insurance program for at least ten years and possess coverage just prior to retirement.

Disability Retirement: An employee must have participated in the group life insurance program immediately prior to disablement.

Basic Insurance

Average final compensation calculated for retirement purposes.

Amount of Insurance for a Retiree

Service Retirement: The Basic Insurance will be reduced by 15% per year until the amount equal to the greater of (a) 40% of the initial Basic Insurance, or (b) \$2,500.

Disability Retirement: The amount of basic life insurance in force prior to retirement will be continued until normal retirement age. At normal retirement age, the amount of insurance will be reduced as for service retirement.

Retiree Contribution

PLD Employees: PLD must pay \$0.46 per month per \$1,000 of base benefit, based on the coverage amounts declining from 100% to 40%.

Normal Retirement Age

The specified age, the years of service requirement or any age and years of service combination at which a participant may become eligible for unreduced service retirement benefits.

Discontinued Coverages at Retirement

- Supplemental Life
- Accidental Death and Dismemberment
- Dependent Life

(Discontinued coverage may be ported to another group term product or converted to an individual policy. MainePERS is charged a fee for those active employees who convert to an individual policy upon termination from employment. Conversion charges are considered a cost of active, not retiree group life insurance. Therefore, it is not included in these liabilities.)

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APPENDIX E – GLOSSARY OF TERMS

1. Actuarially Determined Contribution

A target or recommended contribution for the reporting period, determined in conformity with Actuarial Standards of Practice based on the most recent measurement available when the contribution for the reporting period was adopted.

2. Actuarial Valuation Date

The date as of which an actuarial valuation is performed. This date may be up to 24 months prior to the measurement date and up to 30 months prior to the employer's reporting date.

3. Entry Age Actuarial Cost Method

The actuarial cost method required for GASB 74 and 75 calculations. Under this method, the actuarial present value of the projected benefits of each individual, included in an actuarial valuation, is allocated on a level basis over the earnings of the individual between entry age and assumed exit ages. The portion of this actuarial present value allocated to a valuation year is called the Service Cost. The portion of this actuarial present value not provided for at a valuation date by the actuarial present value of future service costs is called the Total OPEB Liability.

4. Measurement Date

The date as of which the Total OPEB Liability and Plan Fiduciary Net Position are measured. The Total OPEB Liability may be projected from the Actuarial Valuation Date to the Measurement Date. The Measurement Date must be the same as the Reporting Date for the plan.

5. Net OPEB Liability

The liability of employers and non-employer contributing entities for employees for benefits provided through a defined benefit OPEB plan. It is calculated as the Total OPEB Liability less the Plan Fiduciary Net Position.

6. Plan Fiduciary Net Position

The fair or market value of assets.

7. Reporting Date

The last day of the Plan or employer's fiscal year.

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APPENDIX E – GLOSSARY OF TERMS

8. Service Cost

The portion of the actuarial present value of projected benefit payments that is attributed to the current period of employee service in conformity with the requirements of GASB 74 and 75. The Service Cost is the normal cost calculated under the entry age actuarial cost method.

9. Total OPEB Liability

The portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service in conformity with the requirements of GASB 74 and 75. The Total OPEB Liability is the actuarial liability calculated under the entry age actuarial cost method.