

# MainePERS Board of Trustees



**MainePERS**  
PUBLIC EMPLOYEES RETIREMENT SYSTEM

## Monthly Meeting Packet

June 9, 2022

**MainePERS Board of Trustees**  
**June 9, 2022**  
**139 Capitol Street, Augusta**

**AGENDA**

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9:00 a.m.		CALL TO ORDER		Brian Noyes
9:00 – 9:05 a.m.	1.	<u>CONSIDERATION OF CONSENT CALENDAR</u> <ul style="list-style-type: none"><li>Minutes of May 12, 2022</li></ul>	ACTION	Brian Noyes
9:05 – 9:25 a.m.	2.	<u>CEO REPORT</u> <ul style="list-style-type: none"><li>Organizational Values</li></ul>		Dr. Rebecca M. Wyke
9:25 – 9:40 a.m.	3.	<u>PRIVATE MARKETS ACTIONS</u> <ul style="list-style-type: none"><li>Executive Session pursuant to 1 M.R.S. §405(6)(F); 5 M.R.S. §17057(4)</li></ul> <p><i>Board moves out of executive session.</i></p> <ul style="list-style-type: none"><li>Thoma Bravo Discover Fund IV</li><li>Brookfield Infrastructure Debt Fund III</li><li>Pathlight Capital Fund III</li></ul>	ACTION   ACTION ACTION	Brian Noyes   James Bennett Zackery McGuire
9:40 – 9:55 a.m.	4.	<u>PRIVATE MARKETS REVIEW</u> <ul style="list-style-type: none"><li>Private Markets Activity</li><li>Alternatives Consultants Review</li></ul>		James Bennett Zackery McGuire
9:55 – 10:10 a.m.	5.	<u>INVESTMENT REVIEW</u> <ul style="list-style-type: none"><li>Investment Monthly Review</li></ul>		James Bennett Zackery McGuire Brian McDonnell, Stuart Cameron, Cambridge Assocs.
10:10 – 10:25 a.m.	6.	<u>RISK DIVERSIFIERS REVIEW</u>		James Bennett Zackery McGuire Brian McDonnell, Stuart Cameron, Cambridge Assocs.
10:25 – 10:40 a.m.		<u>BREAK</u>		
10:40 – 11:10 a.m.	7.	<u>RULEMAKING</u> <ul style="list-style-type: none"><li>Public Hearing – Proposed Amendment to Rule Chapter 803</li></ul>		Brian Noyes Michael Colleran
11:10 – 11:20 a.m.	8.	<u>MAINSTART QUARTERLY REVIEW</u>		Michael Colleran James Bennett

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11:20 – 11:45 a.m.	9.	<u>ACTUARIAL</u> <ul style="list-style-type: none"><li>• <a href="#">FY24-25 Rate Setting</a></li></ul>	Dr. Rebecca M. Wyke Gene Kalwarski Kathy Morin
11:45 – 11:55 a.m.	10.	<u>ADMINISTRATION REPORT</u> <ul style="list-style-type: none"><li>• <a href="#">Operations Report</a></li></ul>	Jim Dusch Sherry Vandrell Rebecca Grant
11:55 – 12:00 p.m.	11.	<u>LITIGATION SUMMARY</u>	Betsy Stivers
12:00 p.m.		<u>ADJOURNMENT</u>	Brian Noyes

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# MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

## Minutes

Board of Trustees  
Board Meeting  
May 12, 2022

MainePERS  
Augusta and Remote  
9:00 a.m.

*The Board of Trustees met at MainePERS, 139 Capitol Street, Augusta, ME 04332 at 9:00 a.m. on May 12, 2022. Brian Noyes, Chair, presided. Other Trustees participating were Dick Metivier, Vice Chair; Henry Beck, State Treasurer; John Beliveau; Shirrin Blaisdell; Mark Brunton; John Kimball; Gregory Olson, Deputy State Treasurer; and Ken Williams. Joining the Trustees were Dr. Rebecca M. Wyke, Chief Executive Officer; Monica Gorman, Secretary to the Board of Trustees; and Betsy Stivers, Assistant Attorney General and Board Counsel. The Board also was joined for select portions of the meeting by James Bennett, Chief Investment Officer; Zackery McGuire, Deputy Chief Investment Officer; Brian McDonnell and Stuart Cameron, Cambridge Associates; Tom Lynch and George Bumedel, Cliffwater; Ed Schwartz, ORG; Rebecca Grant, Director of Administration; Jim Dusch, Director of Member Services; Sherry Vandrell, Director of Finance; and Kathy Morin, Director of Actuarial and Legislative Affairs.*

Brian Noyes called the meeting to order at 9:00 a.m. Dick Metivier, Vice Chair participated through video remote access pursuant to P.L. 2021, Ch. 290, having been excused from in-person attendance by the Board Chair due to illness. All other Trustees were present.

### **CONSIDERATION OF THE CONSENT CALENDAR**

The Chair called for consideration of the Consent Calendar. The action items on the Consent Calendar were:

- Minutes of April 14, 2022
- Dismissal, Diana Flaherty Appeal
- Dismissal, Jeffrey Leclerc Appeal

The Trustees discussed the amount of detail in the draft minutes. John Kimball expressed concern that the minutes did not include the substance of the comments made by Susan Hawes during the rulemaking hearing. Dr. Wyke noted that Ms. Hawes' written comments were in the rulemaking record on file.

- Action. Ken Williams made the motion, seconded by Shirrin Blaisdell, to approve the Consent Calendar. Voted in the affirmative by seven Trustees (Beliveau, Blaisdell, Brunton, Metivier, Noyes, Olson, and Williams) and in the negative by one Trustee (Kimball).

### **CEO REPORT**

Dr. Rebecca Wyke introduced Domna Giatas as the new Director of Communications for MainePERS. She shared that four proposals were received from consultants to assist in development of our approach to implementing the divestment legislation. She updated the Board on staff participation in crafting our mission and vision statements and organizational values. She reported that functional unit work plans aligned with the Board's Goals and

Objectives are being developed and will be used to construct the strategic plan. Dr. Wyke continued that stakeholder input will be sought, and the Board will have its first review at the July meeting and the second review and anticipated approval at the August meeting. She stated the FY23 budget focuses on the Board's Goals and Objectives with the greatest attention on support for member and employer services to ensure a more responsive experience for the members and employers we serve.

## **PRIVATE MARKET ACTIONS**

### **Bain Capital Venture Fund 2022**

- **Action.** Mark Brunton made the motion, seconded by Dick Metivier, that MainePERS make a commitment of up to \$25 million to Bain Capital Venture Fund 2022, subject to final due diligence, legal review and negotiations, and authorize the Chief Executive Officer, Chief Investment Officer, and General Counsel as signatories to execute documents in connection with this commitment. Voted unanimously by eight Trustees (Beliveau, Blaisdell, Brunton, Kimball, Metivier, Noyes, Olson, and Williams).

### **Bain Capital Venture Coinvestment Fund IV**

- **Action.** Shirrin Blaisdell made the motion, seconded by Mark Brunton, that MainePERS make a commitment of up to \$15 million to Bain Capital Venture Coinvestment Fund IV, subject to final due diligence, legal review and negotiations, and authorize the Chief Executive Officer, Chief Investment Officer, and General Counsel as signatories to execute documents in connection with this commitment. Voted unanimously by eight Trustees (Beliveau, Blaisdell, Brunton, Kimball, Metivier, Noyes, Olson and Williams).

### **Comvest Credit Partners VI**

- **Action.** Ken Williams made the motion, seconded by John Beliveau, that MainePERS make a commitment of up to \$125 million to Comvest Credit Partners VI, subject to final due diligence, legal review and negotiations, and authorize the Chief Executive Officer, Chief Investment Officer, and General Counsel as signatories to execute documents in connection with this commitment. Voted unanimously by eight Trustees (Beliveau, Blaisdell, Brunton, Kimball, Metivier, Noyes, Olson, and Williams).

### **Stonelake Opportunity Partners VII**

- **Action.** Dick Metivier made the motion, seconded by John Beliveau, that MainePERS make a commitment of up to \$40 million to Stonelake Opportunity Partners VII, subject to final due diligence, legal review and negotiations, and authorize the Chief Executive Officer, Chief Investment Officer, and General Counsel as signatories to execute documents in connection with this commitment. Voted unanimously by eight Trustees (Beliveau, Blaisdell, Brunton, Kimball, Metivier, Noyes, Olson, and Williams).

## **INVESTMENT POLICY UPDATE**

Jim Bennett and the Trustees discussed the suggested modifications to Appendix 1 of the Investment Policy Statement. The recommendations are a reduction from 15.0% to 12.5% in Private Equity; an increase from 7.5% to 10.0% in Alternative Credit; a reduction from

7.5% to 5.0% in Traditional Credit; and an increase from 7.5% to 10.0% in US Government Securities.

- **Action.** Mark Brunton made the motion, seconded by Shirrin Blaisdell, that the Board adopt amended Board Policy 2.1. Voted in the affirmative by seven Trustees (Beliveau, Blaisdell, Brunton, Metivier, Noyes, Olson, and Williams) and in the negative by one Trustee (Kimball).

## **INVESTMENT REVIEW**

### **Investment Monthly Review**

Jim Bennett reported that as of April 30th, the MainePERS fund had a preliminary market value of \$18.6 billion, the preliminary fund return for the month was -2.7%, and the preliminary fiscal year-to-date and calendar year-to-date returns were 4.8% and -2.6%, respectively. Jim reminded Trustees that these returns are calculated by the System's custodian based on private market values reported with a one quarter lag. Jim discussed how this lagged reporting can impact reported returns and informed Trustees that the fiscal year-to-date return on an unlagged basis was around 1%.

### **Investment Quarterly Review**

Stuart Cameron and Brian McDonnell reviewed the summary portfolio for the first quarter. Stuart and Tom Lynch of Cliffwater discussed and answered questions from the Trustees.

### **Risk Diversifiers Quarterly Review**

Stuart Cameron provided the Trustees with the risk diversifiers first quarter report. Stuart answered questions from the Trustees on the report.

## **PRIVATE MARKETS REVIEW**

### **Private Markets Activity**

Jim Bennett shared that the next manager meeting is scheduled for Tuesday, May 24, 2022, with presentations by Thoma Bravo at 9:00 a.m.; Brookfield Infrastructure at 10:00 a.m.; and, Pathlight Capital at 11:15 a.m.

*Henry Beck arrived at 10:30. Greg Olson left the meeting at 10:30.*

### **Cliffwater Quarterly Review**

George Bumeder and Tom Lynch presented the private assets portfolio as of December 31, 2021. George reviewed the private equity, infrastructure, natural resources, and alternative credit portfolios with the Trustees. George and Tom answered questions from the Trustees.

### **Real Estate Quarterly Review**

Ed Schwartz provided the Trustees with an overview of the real estate portfolio as of December 31, 2021.

## **FINANCE AND AUDIT COMMITTEE**

### **Report from the Committee**

Shirrin Blaisdell, Chair of the Finance and Audit Committee, shared with the Trustees they had met that morning and discussed the FY23 budgets presented to the Committee and are recommending approval by the Trustees. Dr. Rebecca Wyke and Sherry Vandrell reviewed the Administrative and Investment Expenses Budgets with the Trustees. There was an increase of 3.7% in the Administrative Operations Expenses Budget and an increase of 7.8% in the Investment Operations Expenses Budget. Dr. Wyke and Sherry responded to questions from the Trustees regarding both budgets.

- **Action.** Dick Metivier made the motion, seconded by Shirrin Blaisdell, that the Board approve the FY23 Recommended Operating Budget in the amount of \$17,755,530 and the recommended Investment Operations Budget in the amount of \$6,371,987. Voted unanimously by eight Trustees (Beck, Beliveau, Blaisdell, Brunton, Metivier, Kimball, Noyes, and Williams).

### **Internal Auditing Services**

Sherry Vandrell stated the internal audit services contracting is complete and two firms were chosen, Wipfli, LLP and Clifton, Larson, Anderson (CLA). Sherry introduced Sarah Lutzke and Chris Curran of Wipfli to the Trustees. Sarah and Chris shared a presentation on their approach for providing internal audit services. Sarah and Chris answered questions from the Trustees.

## **ADMINISTRATION REPORT**

### **Operations Report**

Jim Dusch shared strategic planning work continues, and he is looking forward to the new Chief Services Officer, Chip Gavin, beginning work later this month.

Rebecca Grant stated recruiting continues, and the new Director of Information Technology is on board.

## **RULEMAKING**

Kathy Morin provided the Trustees with the recommendations for repealing Rule Chapter 202 and the adoption of Rule Chapter 512. Kathy answered questions from the Trustees.

- **Action.** Motion by Ken Williams, seconded by Mark Brunton, that the Board repeal Rule Chapter 202 and adopt the Basis Statement for repeal. Voted in the affirmative by seven Trustees (Beck, Beliveau, Blaisdell, Brunton, Metivier, Noyes, and Williams) and in the negative by one (Kimball).
- **Action.** Motion by Dick Metivier, seconded by Shirrin Blaisdell, that the Board adopt Rule 512 and its Basis Statement. Voted in the affirmative by seven Trustees (Beck, Beliveau, Blaisdell, Brunton, Metivier, Noyes, and Williams) with one abstention (Kimball).

Kathy shared a proposed change to Rulemaking Chapter 803, which governs the consolidated plan for the PLD's. The change would incorporate an additional 1% COLA for this year. Staff will notice the rulemaking change for a public hearing in June and bring it to the Board for consideration in July.

### **LEGISLATIVE UPDATE**

Kathy Morin stated the Legislature has adjourned and updated the Trustees on the status of legislative bills. None of the special plan bills received funding. The remote meetings bill was enacted and will become effective 90 days after the close of the session. Next steps will be updating law books, policies and procedures, informational booklets, and the website.

### **LITIGATION UPDATE**

Betsy Stivers stated the appeal period for the Hawaii action has passed without an appeal being filed, so the matter is now closed. Betsy shared the personnel matter has proceeded into the discovery phase. She stated that she will be responding to a second Freedom of Access (FOA) matter filed by Ms. Hawes regarding document requests and attendance at meetings.

Brian Noyes shared that he, Dick Metivier, and Dr. Wyke had a call with Amy McDuffee requesting to work with her again on Board governance. Dr. Wyke stated Amy will provide the Trustees with a self-assessment survey in August and will share the outcome of that survey in September.

### **ADJOURNMENT**

- Action. Mark Brunton made a motion, seconded by Ken Williams, to adjourn the May Board of Trustees meeting. Voted unanimously by eight Trustees (Beck, Beliveau, Blaisdell, Brunton, Kimball, Metivier, Noyes, and Williams).

The meeting adjourned at approximately 12:10 p.m.

6/9/2022

\_\_\_\_\_  
Date Approved by the Board

\_\_\_\_\_  
Dr. Rebecca M. Wyke, Chief Executive Officer

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Date Signed



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**MAINEPERS**

**BOARD OF TRUSTEES INVESTMENTS MEMORANDUM**

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**TO:** BOARD MEMBERS  
**FROM:** JAMES BENNETT, CHIEF INVESTMENT OFFICER  
**SUBJECT:** ALTERNATIVES CONSULTANT REVIEW  
**DATE:** JUNE 2, 2022

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Board Policies 2.1 and 4.4 require the Investment Team to evaluate the performance and contract terms of the System's investment consultants at least every five years, and to make a recommendation to the Board as to whether or not a search process for new providers be initiated.

The Investment Team has performed in-depth reviews on a number of firms providing alternative asset consulting services and will discuss the results of this review with Trustees at the meeting.

**POLICY REFERENCE**

[Board Policy 2.1 – Investment Policy Statement](#)

[Board Policy 4.4 – Board / Consultants / Staff Relations](#)

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**MAINEPERS**

**BOARD OF TRUSTEES INVESTMENTS MEMORANDUM**

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**TO:** BOARD MEMBERS  
**FROM:** JAMES BENNETT, CHIEF INVESTMENT OFFICER  
**SUBJECT:** INVESTMENT REVIEW  
**DATE:** JUNE 2, 2022

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Following this memo is the Monthly Investment Review for May.

**POLICY REFERENCE**

[Board Policy 2.1 – Investment Policy Statement](#)

[Board Policy 4.5 – Board/Staff Relations](#)

[Board Policy 4.6 – Communication and Support to the Board](#)

**MONTHLY INVESTMENT REVIEW: HIGHLIGHTS AND OBSERVATIONS**

Preliminary Fund results for the month include:

- Month-end fund value of \$18.6 billion.
- Monthly return of 0.25%.
- Fiscal and calendar year-to-date returns of 5.0% and -2.4%, respectively. Note: as discussed last meeting, the fiscal year return reflects lagged private market values. Adjusting for this, the estimated FYTD return is 1%.



# Investment Review

## June 9, 2022



**MainePERS**  
PUBLIC EMPLOYEES RETIREMENT SYSTEM

## Investment Objective

MainePERS' investment objectives balance the System's twin goals of generating investment returns (to ensure growth of the trust funds) and minimizing investment risks (loss of capital and cash flow shortfalls).

The Board recognizes and accepts that these goals are in opposition, and that a trade-off exists between expected risk and return. The Board balances these goals by seeking to optimize portfolio returns consistent with an established targeted portfolio risk level.

Additionally, by optimizing investment returns on trust assets, rather than attempting to maximize them, the Board seeks to maintain contribution rate and funding level volatility at acceptable levels that have been determined from time to time during strategic asset allocation planning and asset/liability reviews.

# May 2022 Performance (Preliminary)

The **preliminary** fund value at the end of May is \$18.6 billion.

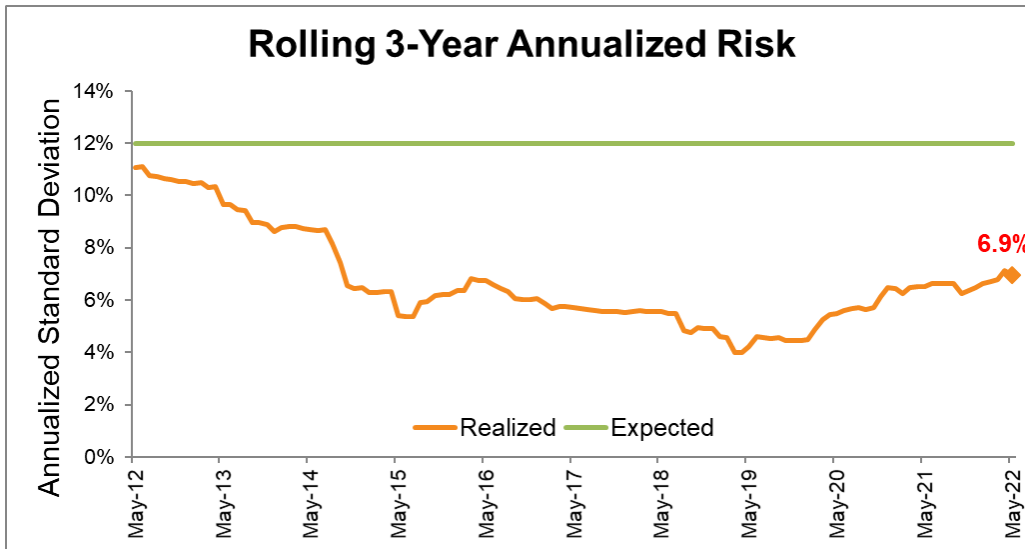


## Fund and Benchmark Returns

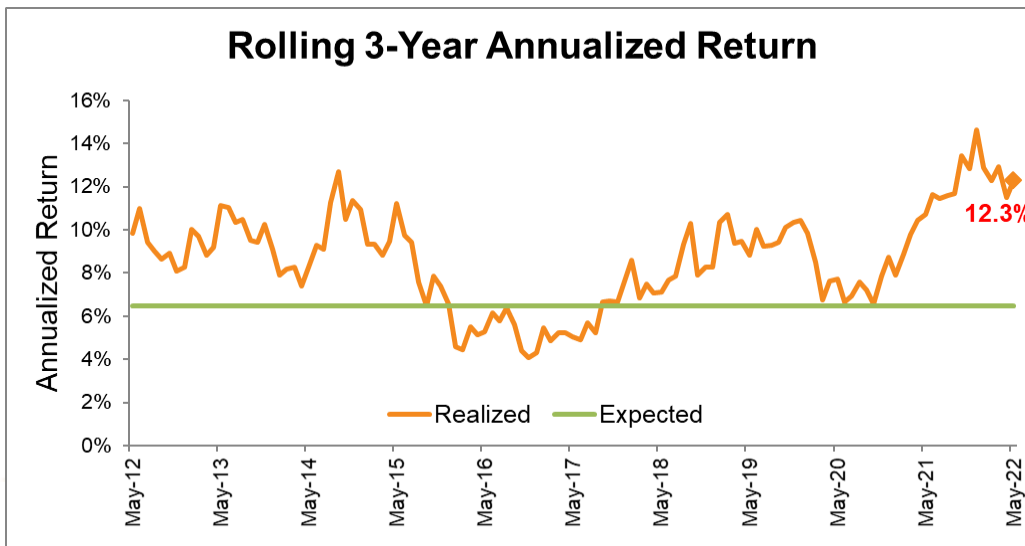
	May-22	CYTD 2022	FYTD 2022
Total Fund	0.2%	-2.4%	5.0%
Russell 3000	-0.1%	-13.9%	-6.0%
MSCI ACWI ex-USA	0.7%	-10.7%	-11.8%
Barclays Agg. Bond Index	0.6%	-8.9%	-8.9%

Based on lagged private market values. Return estimate adjusted for lag effects is 1%.

# Investment Objective Measurement: Risk and Return



Recent fund risk remains well below targeted risk level on a rolling 3-year annualized basis.



Investment returns continue to exceed expected values on a rolling 3-year annualized basis.

Note: Rolling 3-year return and standard deviation are calculated at each point in time based on returns over prior 36 months. All figures are annualized.

# May 2022 Asset Allocation (Preliminary)

Assets (Millions)	Value	% of Fund	Policy %
<b>MainePERS Portfolio</b>	<b>\$ 18,640</b>	<b>100.0%</b>	<b>100.0%</b>
Domestic Equity	\$ 3,056	16.4%	18.2%
International Equity	\$ 1,969	10.6%	11.8%
Fixed Income	\$ 2,633	14.1%	15.0%
Alternative Credit	\$ 1,205	6.5%	7.5%
Infrastructure	\$ 1,951	10.5%	10.0%
Natural Resources	\$ 879	4.7%	5.0%
Private Equity	\$ 3,849	20.7%	15.0%
Real Estate	\$ 1,755	9.4%	10.0%
Risk Diversifiers	\$ 1,321	7.1%	7.5%
Cash	\$ 21	0.1%	0.0%

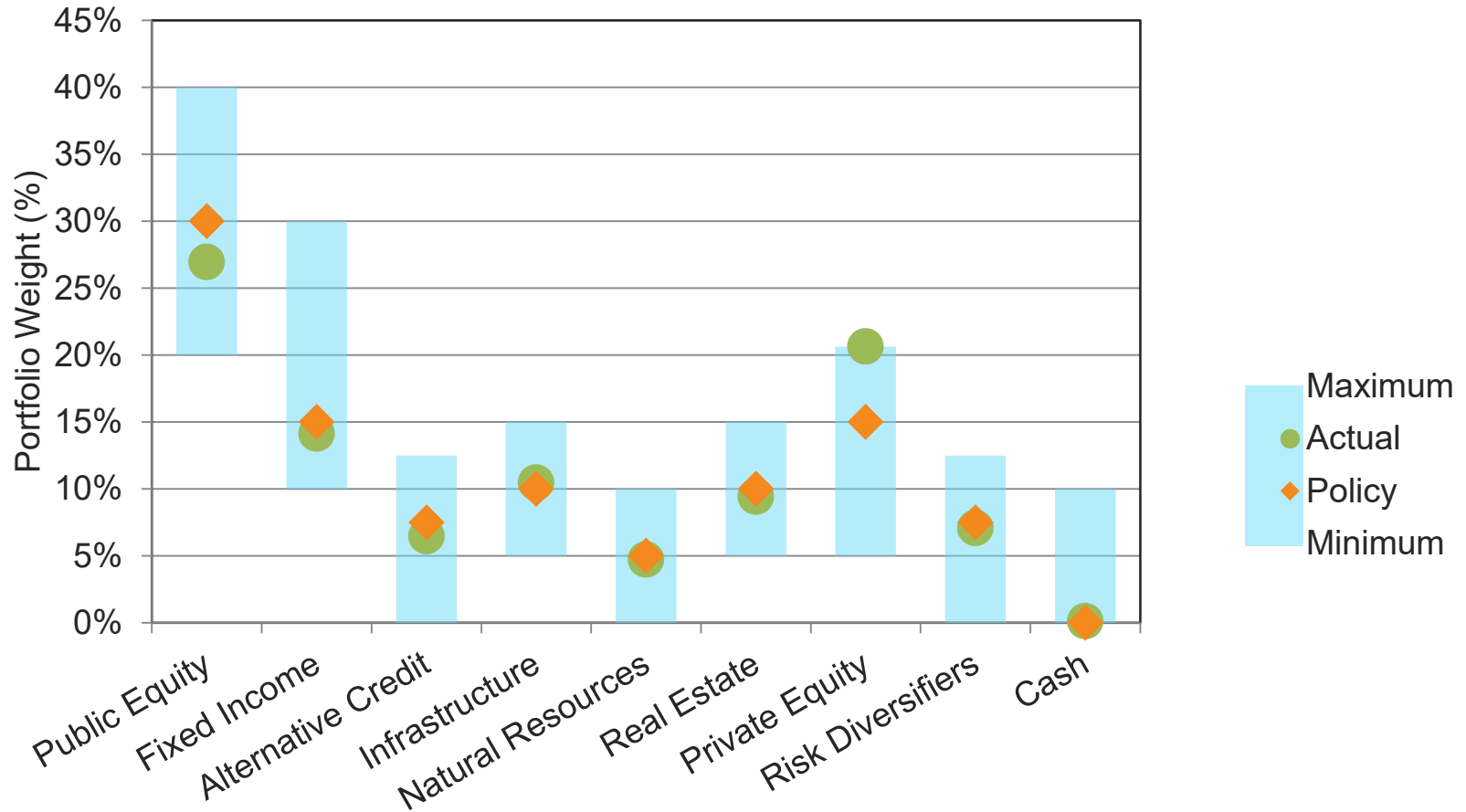
Portfolio weights for most asset classes remain near MainePERS Investment Policy asset allocation weights.

Private equity remains overweight at ~21% of Fund Value.

Private Markets assets in aggregate comprise 51.7% of the overall portfolio, above the 47.5% policy weight.

Public Market allocation changes approved at May Trustee meeting will be implemented over next 3-4 months.

# May 2022 Asset Allocation (Preliminary)

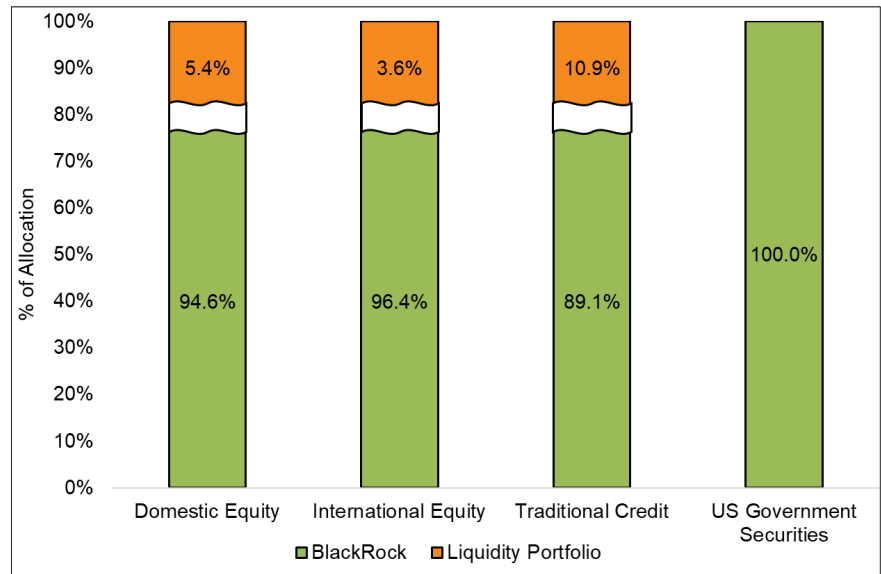




# Public Securities: Liquidity Portfolio

At the end of May, 2.0% of Fund assets were invested via ETFs and futures contracts in an account managed by Parametric Associates.

The Liquidity Portfolio accounts for 4.9% of MainePERS' total exposure to public securities.



MainePERS Liquidity Portfolio	Market Value (Millions)	Exposure Type
Parametric Domestic Equity	\$166.1	Futures
Parametric International Equity	\$70.7	Futures
Parametric Traditional Credit	\$138.0	ETFs
Parametric US Government Securities	\$0.0	Futures
<b>Total Liquidity Portfolio</b>	<b>\$374.7</b>	

MainePERS has **exposures to derivatives** in the following areas:

- Public Equities, Public Fixed Income, and Risk Diversifiers

MainePERS has **financial leverage** (borrowing and investing) in the following areas:

- BlackRock – Financial leverage in securities lending
- JP Morgan – Financial leverage in securities lending
- Alternative Credit
- Infrastructure
- Natural Resources
- Private Equity
- Real Estate

# Investment Related Fees: May 2022

Description	FYTD 22	FY 21	FY 20	FY 19	FY 18
Investment Mgmt. Fees	\$109,194,877	\$118,561,261	\$124,480,394	\$106,398,871	\$92,410,866
Securities Lending Fees <sup>1</sup>	1,472,175	1,653,172	2,239,396	2,226,826	3,714,108
Consulting Fees	1,026,667	1,120,000	1,120,000	1,120,000	1,120,000
Broker Commissions <sup>2</sup>	20,126	52,364	37,461	28,970	38,168
Placement Agent Fees	0	0	0	0	0
<b>Total</b>	<b>\$111,713,845</b>	<b>\$121,386,797</b>	<b>\$127,877,251</b>	<b>\$109,774,667</b>	<b>\$97,283,142</b>
<b>Percentage of Fund <sup>3</sup></b>	<b>0.72%</b>	<b>0.67%</b>	<b>0.87%</b>	<b>0.74%</b>	<b>0.68%</b>

1. Securities Lending Fees are through 4/30/2022
2. Actual paid commissions reported by JP Morgan
3. Annualized estimated total fees divided by the current fund value for FYTD 22. The prior years' calculations are actual fees divided by the June 30 market value.

# Securities Lending: April 2022

	Average Lendable Assets	Average Assets On Loan	Total Sec Lending Revenue	Revenue Split	MainePERS Net Income	MainePERS Net Income, FYTD
<b>BlackRock</b>						
Fixed Income	\$1,880,604,890	\$1,333,457,034	\$249,423	60%/40%	\$149,654	\$1,259,471
Total Equity	\$1,824,560,915	\$205,509,888	\$129,728	60%/40%	\$86,255	\$1,147,555
<b>Total Blackrock</b>	<b>\$3,705,165,805</b>	<b>\$1,538,966,922</b>	<b>\$379,151</b>		<b>\$235,909</b>	<b>\$2,407,026</b>
<b>JP Morgan</b>						
Domestic Equities	\$3,076,459,731	\$161,141,142	\$31,486	85%/15%	\$26,768	\$216,526
<b>Total</b>	<b>\$6,781,625,536</b>	<b>\$1,700,108,064</b>	<b>\$410,637</b>		<b>\$262,677</b>	<b>\$2,623,552</b>
Total Annualized Securities Lending Income, FY 2022:				\$3,148,262 (0.02%, or 1.7 bps)		
Total Actual Securities Lending Income, FY 2021:				\$3,053,425 (0.02%, or 2.0 bps)		

# Liquidity Schedule: May 2022

<b>Term</b>	<b>Market Value</b>	<b>Percent of Portfolio</b>
Liquid <sup>1</sup>	\$7,679m	41.2%
Semi-Liquid <sup>2</sup>	\$2,537m	13.6%
Illiquid <sup>3</sup>	\$8,424m	45.2%
<b>Total</b>	<b>\$18,640m</b>	<b>100.0%</b>

## Sources and Uses of Liquidity

	<b>Last 12 Months Actual</b>	<b>Next 12 Months Projection</b>
<b>Private Markets Activity</b>		
Capital Contributions	-\$1,664m	-\$840m
Distributions	\$2,027m	\$1,710m
<b>Net Private Markets Activity</b>	<b>\$363m</b>	<b>\$870m</b>
<b>Benefit Payments</b>	<b>-\$420m</b>	<b>-\$420m</b>
<b>Net Cash Flows</b>	<b>-\$57m</b>	<b>\$450m</b>

<sup>1</sup>Liquid assets includes public equities and public fixed income

<sup>2</sup>Semi-liquid assets includes risk diversifiers, open-end real estate investments, and listed alternative credit funds

<sup>3</sup>Illiquid assets includes closed-end alternative credit, infrastructure, natural resources, private equity, and real estate funds

# MainePERS Alternative Investments Summary

<i>as of 05/31/2022</i>	<b># of Funds</b>	<b># of GP Relationships</b>
Alternative Credit	19	12
Infrastructure	33	11
Natural Resources	14	9
Private Equity	117	33
Real Estate	33	18
Risk Diversifiers	8	6
<b>Total*</b>	<b>224</b>	<b>82</b>

\*GP Total may not add due to overlapping relationships

Currently, MainePERS is invested in 224 funds,  
and has 82 distinct manager relationships.

# MainePERS Alternative Investments Summary

<i>(in \$millions)</i> as of 05/31/2022	<u>Current Market Value</u>			<u>Unfunded Commitment</u>	
	Dollars	% of Fund	Target	Dollars	% of Fund
Alternative Credit	\$ 1,205	6.5%	7.5%	\$ 505	2.7%
Infrastructure	\$ 1,951	10.5%	10.0%	\$ 790	4.2%
Natural Resources	\$ 879	4.7%	5.0%	\$ 203	1.1%
Private Equity	\$ 3,849	20.6%	15.0%	\$ 1,283	6.9%
Real Estate	\$ 1,755	9.4%	10.0%	\$ 496	2.7%
Risk Diversifiers	\$ 1,321	7.1%	7.5%	\$ -	0.0%
<b>Total Alternatives</b>	<b>\$ 10,960</b>	<b>58.8%</b>	<b>55.0%</b>	<b>\$ 3,278</b>	<b>17.6%</b>

For more details please see Private Markets Investment Summary at <http://www.mainebers.org/Investments/>

Note: Market values shown above are preliminary estimates. Private market asset values are based on 12/31/21 values, adjusted for subsequent cash flows.

<i>(in \$millions)</i> as of 05/31/2022	<u>Private Market Commitments by Vintage Year</u>				<u>3-Year</u>
	2019	2020	2021	2022	Average <sup>1</sup>
Alternative Credit	\$ 200	\$ 275	\$ 410	\$ 125	\$ 295
Infrastructure	\$ 350	\$ 235	\$ 180	\$ 100	\$ 255
Natural Resources	\$ 175	\$ -	\$ -	\$ -	\$ 58
Private Equity	\$ 240	\$ 276	\$ 438	\$ 133	\$ 318
Real Estate	\$ 230	\$ 80	\$ 285	\$ 140	\$ 198
<b>Total Commitments</b>	<b>\$ 1,195</b>	<b>\$ 866</b>	<b>\$ 1,313</b>	<b>\$ 498</b>	<b>\$ 1,125</b>

<sup>1</sup>3-Year Average: 2019-2021

## MainePERS Private Market Investments Summary: 12/31/2021

Asset Class Summary	Commitment (A)	Amount Contributed (B)	Total Distributions (C)	Current Market Value (D)	Total Value (C+D)	Interim Net IRR
Alternative Credit	\$ 1,633,640	\$ 1,207,858	\$ 364,968	\$ 1,026,918	\$ 1,391,886	7.1%
Infrastructure	\$ 3,206,300	\$ 2,851,607	\$ 2,094,593	\$ 2,071,384	\$ 4,165,977	11.9%
Natural Resources	\$ 1,015,500	\$ 1,015,642	\$ 390,161	\$ 878,328	\$ 1,268,490	6.6%
Private Equity	\$ 4,739,008	\$ 4,108,609	\$ 3,297,836	\$ 3,904,658	\$ 7,202,494	19.4%
Real Estate	\$ 2,533,160	\$ 2,301,175	\$ 1,619,979	\$ 1,761,304	\$ 3,381,283	7.5%
<b>Total</b>	<b>\$ 13,127,608</b>	<b>\$ 11,484,890</b>	<b>\$ 7,767,539</b>	<b>\$ 9,642,592</b>	<b>\$ 17,410,130</b>	<b>11.9%</b>

Note: This Asset Class Summary table includes all private market investments: both fund investments and co-investments.

Co-Investment Summary	Commitment (A)	# of Co- Investments	Amount Contributed (B)	Total Distributions (C)	Current Market Value (D)	Total Value (C+D)	Interim Net IRR
Alternative Credit Co-Investments	\$ 126,200	23	\$ 130,300	\$ 43,658	\$ 99,368	\$ 143,025	7.9%
Infrastructure Co-Investments	\$ 210,782	10	\$ 203,578	\$ 132,477	\$ 197,289	\$ 329,766	14.0%
Natural Resources Co-Investments	\$ 32,500	2	\$ 27,238	\$ -	\$ 43,611	\$ 43,611	18.3%
Private Equity Co-Investments	\$ 373,432	30	\$ 350,882	\$ 295,998	\$ 295,038	\$ 591,036	18.3%
Real Estate Co-Investments	\$ 67,509	5	\$ 55,720	\$ 4,335	\$ 59,251	\$ 63,587	8.7%
<b>Total</b>	<b>\$ 810,423</b>	<b>70</b>	<b>\$ 767,719</b>	<b>\$ 476,468</b>	<b>\$ 694,557</b>	<b>\$ 1,171,024</b>	<b>15.9%</b>

Note: This table contains values for the co-investment portion of the private market portfolio.



# MainePERS Private Market Investments Summary: 12/31/2021

## Alternative Credit

Fund Name	Commitment (A)	Date of Commitment	Amount Contributed (B)	Total Distributions (C)	Current Market Value (D)	Total Value (C+D)	Interim Net IRR
Angelo Gordon Direct Lending Fund II	\$ 25,000	3/31/2020	\$ 23,749	\$ 14,814	\$ 15,867	\$ 30,682	20.5%
Angelo Gordon Direct Lending Fund III	\$ 100,000	7/20/2018	\$ 100,000	\$ 24,292	\$ 101,865	\$ 126,157	10.8%
Participation Agreement #1	\$ 5,000	10/11/2019	\$ 7,463	\$ 1,016	\$ 7,298	\$ 8,314	7.6%
Participation Agreement #2	\$ 5,000	10/11/2019	\$ 4,994	\$ 5,422	\$ 4,880	\$ 10,302	6.5%
Participation Agreement #3	\$ 5,000	10/11/2019	\$ 5,000	\$ 5,700	\$ 4,862	\$ 10,562	6.8%
Participation Agreement #4	\$ 5,000	10/18/2019	\$ 7,488	\$ 1,126	\$ 7,253	\$ 8,378	8.1%
Participation Agreement #5	\$ 5,000	12/6/2019	\$ 5,000	\$ 1,399	\$ 4,430	\$ 5,829	8.8%
Participation Agreement #6	\$ 5,000	12/6/2019	\$ 4,988	\$ 884	\$ 4,817	\$ 5,701	7.3%
Participation Agreement #7	\$ 5,000	12/11/2019	\$ 5,000	\$ 939	\$ 4,669	\$ 5,608	6.3%
Participation Agreement #8	\$ 5,000	8/13/2020	\$ 4,919	\$ 512	\$ 4,918	\$ 5,430	NM
Participation Agreement #9	\$ 5,000	4/9/2021	\$ 4,925	\$ 286	\$ 4,942	\$ 5,228	NM
Participation Agreement #10	\$ 5,000	4/20/2021	\$ 5,007	\$ 219	\$ 4,768	\$ 4,987	NM
Participation Agreement #11	\$ 5,000	5/5/2021	\$ 5,000	\$ 308	\$ 4,904	\$ 5,212	NM
Angelo Gordon Direct Lending Fund IV	\$ 100,000	1/24/2020	\$ 75,000	\$ 2,221	\$ 79,933	\$ 82,154	NM
Participation Agreement #1	\$ 5,000	10/23/2020	\$ 4,913	\$ 920	\$ 4,420	\$ 5,340	NM
Participation Agreement #2	\$ 7,500	8/17/2021	\$ 7,406	\$ 193	\$ 7,372	\$ 7,565	NM
Participation Agreement #3	\$ 7,500	10/5/2021	\$ 7,500	\$ 253	\$ 7,391	\$ 7,644	NM
Participation Agreement #4	\$ 5,000	12/21/2021	\$ 4,925	\$ 22	\$ 4,938	\$ 4,960	NM
Participation Agreement #5	\$ 5,000	12/21/2021	\$ 4,925	\$ -	\$ 4,925	\$ 4,925	NM
Angelo Gordon Direct Lending Fund IV Annex	\$ 50,000	11/18/2021	\$ 10,000	\$ -	\$ 9,856	\$ 9,856	NM
Ares Capital Europe IV	\$ 122,000	4/30/2018	\$ 97,118	\$ 12,622	\$ 97,854	\$ 110,476	6.5%
Ares Capital Europe V	\$ 122,000	9/4/2020	\$ 36,975	\$ 210	\$ 37,783	\$ 37,993	NM
Ares Senior Direct Lending Fund II	\$ 100,000	12/10/2021	\$ -	\$ -	\$ -	\$ -	NM
Audax Senior Debt (MP), LLC	\$ 100,000	6/30/2017	\$ 96,000	\$ -	\$ -	\$ -	5.0%
Deerpath Capital VI	\$ 75,000	9/30/2021	\$ 45,500	\$ -	\$ 46,270	\$ 46,270	NM
Global Infrastructure Partners Spectrum	\$ 100,000	2/20/2019	\$ 34,370	\$ 16,255	\$ 20,162	\$ 36,416	NM
Mesa West Core Lending Fund	\$ 100,000	6/18/2013	\$ 116,004	\$ 50,447	\$ -	\$ 50,447	6.6%
Owl Rock Capital Corporation	\$ 100,000	3/10/2017	\$ 100,000	\$ 17,863	\$ 109,052	\$ 126,915	7.5%
Participation Agreement #1	\$ 5,000	5/7/2018	\$ 4,851	\$ 5,499	\$ -	\$ 5,499	12.7%
Participation Agreement #2	\$ 6,185	7/31/2018	\$ 6,196	\$ 7,745	\$ -	\$ 7,745	9.9%
Participation Agreement #3	\$ 5,000	8/7/2018	\$ 4,938	\$ 5,634	\$ -	\$ 5,634	7.9%
Participation Agreement #4	\$ 5,000	8/20/2018	\$ 4,566	\$ 1,689	\$ 4,034	\$ 5,723	8.0%
Participation Agreement #5	\$ 5,000	12/21/2018	\$ 4,828	\$ 1,216	\$ 4,535	\$ 5,751	6.8%

## MainePERS Private Market Investments Summary: 12/31/2021

### Alternative Credit

Fund Name	Commitment (A)	Date of Commitment	Amount Contributed (B)	Total Distributions (C)	Current Market Value (D)	Total Value (C+D)	Interim Net IRR
Participation Agreement #6	\$ 7,500	8/7/2020	\$ 8,905	\$ 2,432	\$ 7,410	\$ 9,842	NM
Participation Agreement #7	\$ 7,500	7/26/2021	\$ 6,566	\$ 245	\$ 6,600	\$ 6,845	NM
Owl Rock Capital Corporation III	\$ 100,000	6/19/2020	\$ 102,887	\$ 2,887	\$ 104,543	\$ 107,430	NM
Pathlight Capital Fund II	\$ 75,000	4/22/2021	\$ 50,459	\$ 9,179	\$ 42,813	\$ 51,991	NM
Solar Capital Private Corporate Lending Fund	\$ 50,000	6/26/2019	\$ 30,931	\$ 1,439	\$ 33,509	\$ 34,948	18.1%
Solar Capital Debt Fund	\$ 50,000	6/26/2019	\$ 7,353	\$ 241	\$ 8,136	\$ 8,378	NM
Silver Point Specialty Credit II	\$ 50,000	1/31/2020	\$ 50,330	\$ 18,847	\$ 35,323	\$ 54,170	NM
Tennenbaum Direct Lending VIII	\$ 100,000	11/30/2017	\$ 100,883	\$ 62,306	\$ 58,991	\$ 121,297	7.0%

# MainePERS Private Market Investments Summary: 12/31/2021

## Infrastructure

Fund Name	Commitment (A)	Date of Commitment	Amount Contributed (B)	Total Distributions (C)	Current Market Value (D)	Total Value (C+D)	Interim Net IRR
Alinda Infrastructure Fund II	\$ 50,000	9/17/2009	\$ 67,889	\$ 64,449	\$ 10,360	\$ 74,810	2.2%
ArcLight Energy V	\$ 75,000	10/28/2011	\$ 76,031	\$ 84,518	\$ 18,355	\$ 102,872	8.0%
Shore Co-Investment Holdings II	\$ 20,000	1/30/2014	\$ 17,709	\$ 19,737	\$ -	\$ 19,737	8.4%
ArcLight Energy VI	\$ 150,000	11/25/2014	\$ 159,687	\$ 71,040	\$ 100,921	\$ 171,961	2.2%
Great River Hydro Partners	\$ 12,000	6/17/2017	\$ 10,718	\$ 8,639	\$ 15,865	\$ 24,503	29.5%
Brookfield Infrastructure Fund II	\$ 100,000	6/28/2013	\$ 115,152	\$ 83,038	\$ 97,166	\$ 180,203	9.6%
Brookfield Infrastructure Fund III	\$ 100,000	4/15/2016	\$ 93,512	\$ 39,239	\$ 88,367	\$ 127,606	11.3%
Co-Investment #1	\$ 20,000	3/31/2017	\$ 15,945	\$ 16,893	\$ 13,605	\$ 30,498	26.3%
Carlyle Global Infrastructure Opportunity Fund	\$ 100,000	5/1/2019	\$ 44,188	\$ 4,185	\$ 37,188	\$ 41,373	NM
Carlyle Infrastructure Partners	\$ 50,000	11/2/2007	\$ 57,366	\$ 64,289	\$ 216	\$ 64,506	2.4%
Carlyle Power Partners II	\$ 50,000	11/19/2015	\$ 61,769	\$ 27,760	\$ 46,888	\$ 74,647	7.6%
Cube Infrastructure	\$ 45,000	4/16/2010	\$ 60,063	\$ 96,104	\$ 1,179	\$ 97,283	8.0%
Cube Infrastructure II	\$ 90,000	9/11/2018	\$ 70,200	\$ 3,927	\$ 72,915	\$ 76,842	4.4%
Cube Infrastructure III	\$ 90,000	8/16/2021	\$ 5,182	\$ -	\$ 4,359	\$ 4,359	NM
EQT Infrastructure III	\$ 68,000	12/3/2016	\$ 82,962	\$ 33,144	\$ 125,470	\$ 158,614	24.5%
EQT Infrastructure IV	\$ 100,000	12/17/2018	\$ 88,030	\$ 14,145	\$ 92,457	\$ 106,601	14.6%
EQT Infrastructure V	\$ 75,000	12/8/2020	\$ 23,304	\$ 1,091	\$ 20,953	\$ 22,044	NM
First Reserve Energy Infrastructure Fund	\$ 50,000	6/30/2010	\$ 59,716	\$ 51,620	\$ 6,090	\$ 57,710	-0.9%
First Reserve Energy Infrastructure Fund II	\$ 100,000	10/21/2013	\$ 123,649	\$ 116,892	\$ 42,965	\$ 159,857	17.1%
Global Infrastructure Partners Sonic	\$ 30,000	7/31/2020	\$ 30,788	\$ -	\$ 25,352	\$ 25,352	NM
Global Infrastructure Partners	\$ 75,000	3/31/2008	\$ 101,173	\$ 205,062	\$ 741	\$ 205,803	17.3%
Global Infrastructure Partners II	\$ 75,000	12/3/2011	\$ 101,774	\$ 123,985	\$ 51,250	\$ 175,235	16.3%
Global Infrastructure Partners III	\$ 150,000	4/15/2016	\$ 156,645	\$ 55,790	\$ 155,812	\$ 211,602	10.6%
Co-Investment #1	\$ 29,000	2/28/2017	\$ 27,245	\$ 14,545	\$ -	\$ 14,545	18.7%
Co-Investment #2	\$ 25,000	8/16/2018	\$ 25,885	\$ 1,985	\$ 7,914	\$ 9,898	-27.8%
Global Infrastructure Partners IV	\$ 150,000	12/21/2018	\$ 33,644	\$ 0	\$ 30,482	\$ 30,482	NM
IFM Global Infrastructure (US), L.P.	\$ 100,000	12/20/2012	\$ 144,550	\$ 208,040	\$ -	\$ 208,040	9.9%
KKR Global Infrastructure Investors	\$ 75,000	9/29/2010	\$ 87,917	\$ 154,068	\$ 22	\$ 154,089	13.1%

(all dollar amounts in thousands)

# MainePERS Private Market Investments Summary: 12/31/2021

## Infrastructure

Fund Name	Commitment (A)	Date of Commitment	Amount Contributed (B)	Total Distributions (C)	Current Market Value (D)	Total Value (C+D)	Interim Net IRR
KKR Global Infrastructure Investors II	\$ 150,000	10/24/2014	\$ 182,268	\$ 217,783	\$ 84,822	\$ 302,605	17.4%
KKR Atlanta Co-Invest	\$ 24,000	9/26/2014	\$ 21,428	\$ 28,551	\$ -	\$ 28,551	5.7%
KKR Taurus Co-Invest II	\$ 25,000	8/15/2017	\$ 25,000	\$ 34,190	\$ 23,734	\$ 57,924	23.6%
KKR Byzantium Infrastructure Aggregator	\$ 15,000	10/17/2017	\$ 15,000	\$ 7,013	\$ 10,265	\$ 17,278	4.6%
KKR Global Infrastructure Investors III	\$ 100,000	3/29/2018	\$ 65,540	\$ 13,507	\$ 58,746	\$ 72,253	6.5%
Meridiam Infrastructure (SCA)	\$ 11,000	9/23/2015	\$ 21,938	\$ 8,571	\$ 29,755	\$ 38,326	10.8%
Meridiam Infrastructure Europe II (SCA)	\$ 22,500	9/23/2015	\$ 27,380	\$ 12,908	\$ 41,713	\$ 54,621	15.4%
Meridiam Infrastructure Europe III SLP	\$ 95,000	4/27/2016	\$ 59,809	\$ 13,144	\$ 42,649	\$ 55,793	-3.5%
Meridiam Sustainable Infrastructure Europe IV	\$ 90,000	4/16/2021	\$ 2,765	\$ 4	\$ 1,198	\$ 1,202	NM
Meridiam Infrastructure N.A. II	\$ 75,000	9/28/2012	\$ 73,604	\$ 27,659	\$ 148,899	\$ 176,558	18.9%
MINA II CIP	\$ 175	6/30/2015	\$ 134	\$ 21	\$ 17,009	\$ 17,030	150.0%
Meridiam Infrastructure N.A. II	\$ 20,000	6/30/2015	\$ 14,969	\$ 3,429	\$ 38,057	\$ 41,486	28.1%
Meridiam Infrastructure N.A. III	\$ 50,000	7/12/2017	\$ 8,021	\$ 1	\$ 11,746	\$ 11,747	NM
Stonepeak Infrastructure Partners II	\$ 140,000	11/12/2015	\$ 181,222	\$ 136,267	\$ 124,488	\$ 260,756	14.3%
Stonepeak Claremont Co-Invest	\$ 25,000	5/30/2017	\$ 25,000	\$ 925	\$ 50,004	\$ 50,929	18.5%
Stonepeak Spear (Co-Invest) Holdings	\$ 25,000	1/8/2018	\$ 19,648	\$ -	\$ 37,263	\$ 37,263	18.4%
Stonepeak Infrastructure Partners III	\$ 150,000	10/13/2017	\$ 139,904	\$ 25,555	\$ 183,249	\$ 208,805	23.3%
Stonepeak Infrastructure Partners IV	\$ 125,000	5/8/2020	\$ 24,801	\$ 773	\$ 25,805	\$ 26,578	NM

# MainePERS Private Market Investments Summary: 12/31/2021

## Natural Resources

Fund Name	Commitment (A)	Date of Commitment	Amount Contributed (B)	Total Distributions (C)	Current Market Value (D)	Total Value (C+D)	Interim Net IRR
ACM Permanent Crops	\$ 35,000	10/24/2014	\$ 39,100	\$ 10,092	\$ 48,376	\$ 58,468	7.9%
ACM Permanent Crops II	\$ 35,000	5/12/2016	\$ 40,717	\$ 8,885	\$ 24,404	\$ 33,289	-7.9%
AMERRA Agri Fund III	\$ 50,000	2/11/2016	\$ 94,982	\$ 62,901	\$ 35,265	\$ 98,166	1.5%
Denham Mining Fund	\$ 35,000	6/29/2018	\$ 23,288	\$ -	\$ 34,054	\$ 34,054	19.3%
Homestead Capital Farmland II	\$ 50,000	8/8/2016	\$ 53,907	\$ 8,311	\$ 49,237	\$ 57,548	2.5%
Homestead Capital Farmland III	\$ 30,000	10/26/2018	\$ 17,122	\$ 1,814	\$ 15,418	\$ 17,232	0.9%
Orion Mine Finance Fund II	\$ 50,000	5/25/2016	\$ 100,560	\$ 69,208	\$ 53,659	\$ 122,867	11.2%
Orion Mine Finance Co-Fund II	\$ 20,000	8/13/2018	\$ 20,085	\$ -	\$ 37,634	\$ 37,634	21.7%
Silver Creek Aggregate Reserves Fund	\$ 100,000	11/6/2018	\$ 12,881	\$ 1,432	\$ 14,470	\$ 15,903	NM
Taurus Mining Fund	\$ 50,000	3/27/2015	\$ 41,459	\$ 43,121	\$ 4,931	\$ 48,052	6.3%
Taurus Mining Fund Annex	\$ 23,000	12/1/2016	\$ 18,116	\$ 21,956	\$ 1,676	\$ 23,631	17.4%
Taurus Mining Fund No. 2	\$ 75,000	4/18/2019	\$ 47,257	\$ 41,406	\$ 14,050	\$ 55,456	22.0%
Teays River Integrated Agriculture	\$ 200,000	7/1/2015	\$ 199,005	\$ 28,770	\$ 345,002	\$ 373,772	10.8%
Twin Creeks Timber	\$ 125,000	1/7/2016	\$ 191,978	\$ 80,701	\$ 112,848	\$ 193,549	0.3%
U.S. Farming Realty Trust III	\$ 100,000	7/7/2015	\$ 108,032	\$ 11,565	\$ 81,326	\$ 92,891	-4.1%
Canally Coinvest Holdings	\$ 12,500	12/9/2019	\$ 7,153	\$ -	\$ 5,977	\$ 5,977	-11.2%

(all dollar amounts in thousands)

# MainePERS Private Market Investments Summary: 12/31/2021

## Private Equity

Fund Name	Commitment (A)	Date of Commitment	Amount Contributed (B)	Total Distributions (C)	Current Market Value (D)	Total Value (C+D)	Interim Net IRR
ABRY Advanced Securities Fund II	\$ 20,000	5/4/2011	\$ 20,522	\$ 29,534	\$ 800	\$ 30,333	13.3%
ABRY Advanced Securities Fund III	\$ 30,000	4/30/2014	\$ 43,883	\$ 15,351	\$ 29,904	\$ 45,255	-0.1%
ABRY Heritage Partners	\$ 10,000	5/31/2016	\$ 10,068	\$ 7,399	\$ 6,343	\$ 13,742	23.9%
ABRY Partners VII	\$ 10,000	4/29/2011	\$ 12,911	\$ 16,979	\$ 3,606	\$ 20,585	13.5%
ABRY Partners VIII	\$ 20,000	8/8/2014	\$ 23,742	\$ 28,430	\$ 5,885	\$ 34,315	10.7%
ABRY Senior Equity IV	\$ 10,000	12/7/2012	\$ 10,801	\$ 16,090	\$ 2,430	\$ 18,520	15.2%
ABRY Senior Equity V	\$ 12,050	1/19/2017	\$ 12,360	\$ 3,826	\$ 12,587	\$ 16,414	18.2%
Advent International GPE VII	\$ 30,000	6/29/2012	\$ 33,170	\$ 45,435	\$ 16,692	\$ 62,127	15.2%
Advent International GPE VIII	\$ 50,000	2/5/2016	\$ 53,044	\$ 42,125	\$ 73,114	\$ 115,239	26.9%
Advent International GPE IX	\$ 50,000	5/9/2019	\$ 28,130	\$ 3,998	\$ 70,147	\$ 74,145	129.6%
GPE IX TKE Co-Investment	\$ 24,000	3/30/2020	\$ 21,243	\$ -	\$ 27,633	\$ 27,633	NM
Advent Latin America PE Fund VI	\$ 20,000	10/17/2014	\$ 18,750	\$ 8,350	\$ 22,521	\$ 30,871	19.0%
Affinity Asia Pacific Fund IV	\$ 60,000	2/28/2013	\$ 64,060	\$ 63,738	\$ 34,560	\$ 98,298	14.9%
Affinity Asia Pacific Fund V	\$ 40,000	12/11/2017	\$ 12,353	\$ 2,407	\$ 12,060	\$ 14,466	NM
Bain Capital Venture Coinvestment Fund III	\$ 15,000	4/1/2021	\$ 5,813	\$ -	\$ 4,159	\$ 4,159	NM
Bain Capital Ventures 2021	\$ 25,000	10/28/2020	\$ 8,688	\$ 1	\$ 7,135	\$ 7,136	NM
Berkshire Fund VIII	\$ 15,000	7/20/2011	\$ 16,706	\$ 24,573	\$ 16,470	\$ 41,042	17.5%
Berkshire Fund IX	\$ 50,000	3/18/2016	\$ 52,482	\$ 16,763	\$ 60,610	\$ 77,373	18.1%
Blackstone Capital Partners VI	\$ 30,000	6/30/2010	\$ 37,242	\$ 46,994	\$ 16,664	\$ 63,658	12.5%
Blackstone Capital Partners VII	\$ 54,000	3/27/2015	\$ 58,444	\$ 24,808	\$ 69,679	\$ 94,488	21.1%
Carlyle Asia Partners III	\$ 15,000	12/31/2009	\$ 20,408	\$ 29,734	\$ 3,285	\$ 33,019	12.6%
Carlyle Asia Partners IV	\$ 60,000	6/3/2014	\$ 75,997	\$ 74,015	\$ 45,513	\$ 119,528	13.3%
Carlyle Asia Partners V	\$ 45,000	10/30/2017	\$ 20,336	\$ 7,250	\$ 19,314	\$ 26,565	NM
Centerbridge Capital Partners III	\$ 30,000	10/24/2014	\$ 43,924	\$ 33,411	\$ -	\$ 33,411	19.7%
CB Blizzard Co-Invest	\$ 10,000	9/11/2019	\$ 15,012	\$ 10,015	\$ 11,645	\$ 21,660	38.3%
Charterhouse Capital Partners VIII	\$ 13,500	1/6/2011	\$ 11,188	\$ 14,160	\$ -	\$ 14,160	7.9%
Charterhouse Capital Partners IX	\$ 4,500	1/6/2011	\$ 5,373	\$ 7,091	\$ -	\$ 7,091	12.3%
Charterhouse Capital Partners X	\$ 67,000	5/13/2015	\$ 50,027	\$ 40,175	\$ 65,593	\$ 105,768	21.8%

(all dollar amounts in thousands)

# MainePERS Private Market Investments Summary: 12/31/2021

## Private Equity

Fund Name	Commitment (A)	Date of Commitment	Amount Contributed (B)	Total Distributions (C)	Current Market Value (D)	Total Value (C+D)	Interim Net IRR
Charterhouse Acrostone	\$ 12,000	8/24/2018	\$ 13,254	\$ 21,268	\$ 21,897	\$ 43,165	19.3%
Charterhouse Capital Partners XI	\$ 45,000	4/23/2021	\$ -	\$ -	\$ -	\$ -	NM
CVC Capital Partners VI	\$ 67,000	7/12/2013	\$ 93,886	\$ 84,232	\$ 83,273	\$ 167,505	18.2%
CVC Capital Partners VII	\$ 48,000	5/9/2017	\$ 65,807	\$ 25,751	\$ 46,765	\$ 72,516	29.0%
CVC Capital Partners VIII	\$ 44,000	6/11/2020	\$ 13,107	\$ 4,234	\$ (253)	\$ 3,982	NM
EnCap Energy Capital VIII	\$ 30,000	1/31/2011	\$ 34,181	\$ 20,148	\$ 9,592	\$ 29,740	-3.7%
EnCap Energy Capital Fund VIII Co-Investors, L.P.	\$ 16,238	12/8/2011	\$ 16,492	\$ 4,256	\$ 5,618	\$ 9,875	-8.7%
EnCap Energy Capital Fund IX	\$ 30,000	12/19/2012	\$ 34,413	\$ 29,862	\$ 14,649	\$ 44,511	8.0%
EnCap Energy Capital Fund X	\$ 40,000	3/5/2015	\$ 40,742	\$ 20,226	\$ 37,751	\$ 57,977	8.6%
EnCap Energy Capital Fund XI	\$ 40,000	5/31/2017	\$ 23,251	\$ 1,340	\$ 18,012	\$ 19,352	-1.6%
EnCap Flatrock Midstream Fund III	\$ 20,000	4/9/2014	\$ 24,932	\$ 16,247	\$ 17,602	\$ 33,849	8.0%
EnCap Flatrock Midstream Fund IV	\$ 22,000	11/17/2017	\$ 11,171	\$ 7,020	\$ 10,294	\$ 17,315	7.0%
General Catalyst X - Early Venture	\$ 19,565	3/26/2020	\$ 17,413	\$ -	\$ 35,522	\$ 35,522	NM
General Catalyst X - Endurance	\$ 22,826	3/26/2020	\$ 22,859	\$ -	\$ 32,382	\$ 32,382	NM
General Catalyst X - Growth Venture	\$ 32,609	3/26/2020	\$ 30,163	\$ -	\$ 61,137	\$ 61,137	NM
General Catalyst XI - Creation	\$ 8,823	10/29/2021	\$ -	\$ -	\$ -	\$ -	NM
General Catalyst XI - Endurance	\$ 29,412	10/29/2021	\$ 8,625	\$ -	\$ -	\$ -	NM
General Catalyst XI - Ignition	\$ 11,765	10/29/2021	\$ 1,681	\$ -	\$ -	\$ -	NM
GTCR Fund X	\$ 30,000	1/28/2011	\$ 31,766	\$ 64,445	\$ 3,175	\$ 67,620	21.3%
GTCR Fund XI	\$ 35,000	11/15/2013	\$ 34,036	\$ 66,248	\$ 82,745	\$ 148,993	44.2%
GTCR Fund XII	\$ 50,000	9/29/2017	\$ 49,335	\$ 26,687	\$ 62,603	\$ 89,290	40.5%
Co-Investment #1	\$ 5,238	4/26/2019	\$ 4,556	\$ -	\$ 7,954	\$ 7,954	26.2%
Co-Investment #2	\$ 5,997	11/1/2019	\$ 5,806	\$ 10,935	\$ 12,763	\$ 23,699	53.9%
GTCR XIII	\$ 50,000	10/27/2020	\$ 5,375	\$ 1,809	\$ 5,317	\$ 7,126	NM
H.I.G. Bayside Loan Fund II	\$ 25,000	5/28/2010	\$ 24,192	\$ 29,602	\$ 2,262	\$ 31,864	6.5%
H.I.G. Bayside Loan Ops Fund III (Europe)	\$ 30,000	7/27/2012	\$ 26,707	\$ 31,070	\$ 5,104	\$ 36,174	8.2%
H.I.G. Brazil & Latin America Partners	\$ 60,000	7/1/2015	\$ 50,448	\$ 9,202	\$ 87,412	\$ 96,614	29.9%
H.I.G. Capital Partners V	\$ 15,000	2/28/2013	\$ 18,737	\$ 21,761	\$ 20,718	\$ 42,479	24.8%

(all dollar amounts in thousands)

# MainePERS Private Market Investments Summary: 12/31/2021

## Private Equity

Fund Name	Commitment (A)	Date of Commitment	Amount Contributed (B)	Total Distributions (C)	Current Market Value (D)	Total Value (C+D)	Interim Net IRR
H.I.G. Europe Capital Partners II	\$ 22,500	7/1/2013	\$ 25,208	\$ 20,538	\$ 22,716	\$ 43,253	15.2%
H.I.G. Growth Buyouts & Equity Fund II	\$ 17,500	6/30/2011	\$ 19,855	\$ 12,986	\$ 29,257	\$ 42,243	19.3%
H.I.G. Growth Buyouts & Equity Fund III	\$ 35,000	9/13/2018	\$ 7,251	\$ -	\$ 7,187	\$ 7,187	NM
H.I.G Middle Market LBO Fund II	\$ 40,000	2/7/2014	\$ 44,675	\$ 51,015	\$ 40,285	\$ 91,300	28.5%
Co-Investment #1	\$ 9,000	10/12/2017	\$ 9,000	\$ -	\$ 3,422	\$ 3,422	-21.6%
Co-Investment #2	\$ 686	6/19/2020	\$ 686	\$ -	\$ 796	\$ 796	NM
Co-Investment #3	\$ 1,000	6/1/2021	\$ 1,079	\$ -	\$ 1,139	\$ 1,139	NM
H.I.G. Middle Market LBO Fund III	\$ 40,000	7/23/2019	\$ 8,331	\$ -	\$ 5,053	\$ 5,053	NM
Hellman & Friedman Capital Partners VII	\$ 30,000	6/19/2009	\$ 44,336	\$ 105,422	\$ 16,156	\$ 121,577	25.0%
Hellman & Friedman Capital Partners VIII	\$ 45,000	9/24/2014	\$ 48,251	\$ 25,634	\$ 84,786	\$ 110,419	27.0%
Hellman & Friedman Capital Partners IX	\$ 45,000	9/28/2018	\$ 41,668	\$ 835	\$ 49,962	\$ 50,798	34.4%
Hellman & Friedman Capital Partners X	\$ 45,000	5/10/2021	\$ 5,481	\$ -	\$ (77)	\$ (77)	NM
Inflexion Buyout Fund IV	\$ 27,000	9/30/2014	\$ 33,433	\$ 22,549	\$ 33,304	\$ 55,853	16.9%
Inflexion Partnership Capital Fund I	\$ 17,000	9/30/2014	\$ 21,492	\$ 25,566	\$ 16,307	\$ 41,873	21.7%
Inflexion Supplemental Fund IV	\$ 10,000	5/31/2016	\$ 13,091	\$ 13,109	\$ 16,658	\$ 29,767	27.5%
Kelso Investment Associates VIII	\$ 3,000	1/6/2011	\$ 3,018	\$ 3,961	\$ 389	\$ 4,349	7.9%
Kelso Investment Associates IX	\$ 60,000	11/5/2014	\$ 69,497	\$ 75,265	\$ 36,591	\$ 111,856	20.6%
KIA IX (Hammer) Investor	\$ 25,000	8/12/2016	\$ 25,426	\$ 69,298	\$ 150	\$ 69,448	21.4%
Kelso Investment Associates X	\$ 45,000	3/16/2018	\$ 36,120	\$ 2,788	\$ 47,565	\$ 50,353	45.8%
Kelso Investment Associates XI	\$ 45,000	12/22/2021	\$ -	\$ -	\$ -	\$ -	NM
KKR North American Fund XI	\$ 60,000	2/7/2012	\$ 90,912	\$ 122,013	\$ 51,173	\$ 173,186	19.3%
KKR North America Fund XI (Platinum)	\$ 8,003	2/26/2016	\$ 8,040	\$ 2,313	\$ 6,573	\$ 8,886	2.6%
KKR Element Co-Invest	\$ 10,000	8/29/2016	\$ 10,050	\$ 24,030	\$ 1	\$ 24,030	23.5%
KKR Americas XII	\$ 60,000	3/3/2016	\$ 57,839	\$ 19,236	\$ 85,050	\$ 104,286	38.9%
KKR Sigma Aggregator	\$ 15,000	6/22/2018	\$ 15,000	\$ -	\$ 25,955	\$ 25,955	18.3%
KKR Enterprise Co-Invest	\$ 16,721	10/11/2018	\$ 15,000	\$ -	\$ 1,672	\$ 1,672	-52.0%
KKR Enterprise Co-Invest AIV A	\$ 8,936	11/8/2019	\$ 8,936	\$ 7,243	\$ 6,432	\$ 13,675	56.2%
KKR North America XIII	\$ 40,000	6/25/2021	\$ 0	\$ -	\$ (184)	\$ (184)	NM

(all dollar amounts in thousands)



# MainePERS Private Market Investments Summary: 12/31/2021

## Private Equity

Fund Name	Commitment (A)	Date of Commitment	Amount Contributed (B)	Total Distributions (C)	Current Market Value (D)	Total Value (C+D)	Interim Net IRR
KKR Special Situations Fund	\$ 60,000	12/19/2012	\$ 118,957	\$ 95,239	\$ 18,256	\$ 113,496	-2.1%
KKR Special Situations Fund II	\$ 60,000	12/19/2014	\$ 97,619	\$ 64,982	\$ 48,266	\$ 113,249	5.3%
Oaktree Opportunities VIII	\$ 30,000	12/9/2009	\$ 30,000	\$ 43,800	\$ 319	\$ 44,119	9.1%
ONCAP IV	\$ 15,000	11/8/2016	\$ 11,555	\$ 2,725	\$ 11,068	\$ 13,793	7.8%
Onex Partners III	\$ 10,000	1/6/2011	\$ 11,181	\$ 16,832	\$ 1,719	\$ 18,550	13.2%
Onex Partners IV	\$ 60,000	11/22/2013	\$ 62,871	\$ 43,444	\$ 46,945	\$ 90,389	9.8%
Co-Investment #1	\$ 10,000	2/27/2017	\$ 10,471	\$ 1,181	\$ 16,637	\$ 17,818	13.6%
Onex Partners V	\$ 45,000	7/11/2017	\$ 24,687	\$ 1,881	\$ 24,601	\$ 26,483	25.3%
Paine & Partners Capital Fund IV	\$ 60,000	12/18/2014	\$ 52,618	\$ 29,070	\$ 44,321	\$ 73,392	9.7%
Wawona Co-Investment Fund I	\$ 15,000	3/31/2017	\$ 15,012	\$ -	\$ 10,365	\$ 10,365	-7.9%
Lyons Magnus Co-Investment Fund I	\$ 15,000	11/8/2017	\$ 15,000	\$ -	\$ 36,827	\$ 36,827	25.9%
PSP Maverick Co-Invest	\$ 7,238	9/12/2019	\$ 7,254	\$ -	\$ 10,901	\$ 10,901	22.1%
PSP AH&N Co-Investment Fund	\$ 16,678	11/27/2019	\$ 16,537	\$ -	\$ 28,013	\$ 28,013	35.4%
Paine Schwartz Food Chain Fund V	\$ 45,000	8/3/2018	\$ 31,177	\$ 9,424	\$ 24,998	\$ 34,422	16.9%
SNFL Co-Investment Fund	\$ 10,000	10/11/2019	\$ 5,018	\$ 124	\$ 7,109	\$ 7,233	19.3%
Rhone Partners V	\$ 56,000	3/12/2015	\$ 70,335	\$ 30,797	\$ 81,471	\$ 112,268	22.2%
Riverside Capital Appreciation Fund VI	\$ 60,000	7/3/2013	\$ 60,175	\$ 68,448	\$ 22,411	\$ 90,858	11.7%
RCAF VI CIV XXXII	\$ 12,399	10/21/2015	\$ 12,687	\$ 34,905	\$ 33,131	\$ 68,037	19.3%
Riverside Micro-Cap Fund III	\$ 35,000	6/30/2014	\$ 49,448	\$ 183,115	\$ 114,017	\$ 297,132	38.8%
Riverside Micro-Cap Fund IV	\$ 60,000	10/23/2015	\$ 55,659	\$ -	\$ 106,908	\$ 106,908	18.6%
Riverside Micro-Cap Fund IV-B	\$ 20,000	8/9/2019	\$ 24,292	\$ 5,583	\$ 28,694	\$ 34,278	37.9%
Riverside Micro-Cap Fund V	\$ 20,000	8/21/2018	\$ 26,407	\$ -	\$ 28,460	\$ 28,460	27.8%
Riverside Micro-Cap Fund VI	\$ 45,000	8/26/2021	\$ -	\$ -	\$ -	\$ -	NM
Shoreview Capital Partners III	\$ 24,000	7/24/2013	\$ 25,083	\$ 27,139	\$ 30,560	\$ 57,699	17.0%
Shoreview Capital Partners IV	\$ 30,000	6/3/2019	\$ 5,671	\$ 5,685	\$ 8,566	\$ 14,251	NM
Sovereign Capital IV	\$ 46,500	7/7/2014	\$ 40,344	\$ 20,746	\$ 39,968	\$ 60,714	14.4%
Summit Partners Credit II	\$ 60,000	10/25/2013	\$ 90,140	\$ 82,118	\$ 31,161	\$ 113,279	6.5%
Summit Europe Growth Equity III	\$ 22,000	3/18/2020	\$ 7,523	\$ -	\$ 4,242	\$ 4,242	NM

(all dollar amounts in thousands)

# MainePERS Private Market Investments Summary: 12/31/2021

## Private Equity

Fund Name	Commitment (A)	Date of Commitment	Amount Contributed (B)	Total Distributions (C)	Current Market Value (D)	Total Value (C+D)	Interim Net IRR
Summit Growth Equity VIII	\$ 25,000	5/27/2011	\$ 33,302	\$ 61,481	\$ 17,386	\$ 78,867	28.2%
Co-Investment #1	\$ 16,000	6/3/2015	\$ 16,000	\$ 34,179	\$ 16,654	\$ 50,833	32.1%
Summit Growth Equity IX	\$ 60,000	8/26/2015	\$ 82,533	\$ 87,700	\$ 122,463	\$ 210,162	45.3%
Co-Investment #1	\$ 15,000	11/29/2016	\$ 14,895	\$ 41,104	\$ -	\$ 41,104	159.6%
Summit Partners Co-Invest (Ironman)	\$ 15,000	4/20/2018	\$ 14,998	\$ -	\$ 17,901	\$ 17,901	5.6%
Summit Partners Co-Invest (Giants-B)	\$ 15,000	10/22/2019	\$ 15,000	\$ 35,146	\$ 12,410	\$ 47,556	92.0%
Summit Growth Equity X	\$ 60,000	2/26/2019	\$ 48,327	\$ 12,699	\$ 40,046	\$ 52,745	54.5%
Summit Partners Co-Invest (Lions)	\$ 7,000	10/14/2020	\$ 7,000	\$ -	\$ 7,031	\$ 7,031	NM
Summit Partners Co-Invest (Indigo)	\$ 10,000	12/11/2020	\$ 11,430	\$ -	\$ 11,423	\$ 11,423	NM
Summit Growth Equity XI	\$ 45,000	10/1/2021	\$ -	\$ -	\$ -	\$ -	NM
Summit Venture Capital III	\$ 13,150	5/27/2011	\$ 17,952	\$ 32,437	\$ 2,534	\$ 34,971	17.6%
Summit Venture Capital IV	\$ 40,000	8/26/2015	\$ 45,515	\$ 48,377	\$ 49,633	\$ 98,009	47.4%
Summit Venture Capital V	\$ 45,000	6/16/2020	\$ 12,373	\$ 773	\$ 8,884	\$ 9,656	NM
Summit Partners Co-Invest (CS)	\$ 12,000	10/22/2021	\$ 12,000	\$ -	\$ -	\$ -	NM
Technology Crossover Ventures VIII	\$ 60,000	5/8/2013	\$ 52,307	\$ 28,437	\$ 141,075	\$ 169,512	20.1%
Technology Crossover Ventures IX	\$ 60,000	2/19/2016	\$ 48,427	\$ 27,666	\$ 104,377	\$ 132,043	37.3%
TCV Sports	\$ 8,000	9/25/2018	\$ 8,000	\$ -	\$ 17,486	\$ 17,486	29.8%
Technology Crossover Ventures X	\$ 45,000	8/31/2018	\$ 33,774	\$ -	\$ 85,633	\$ 85,633	80.8%
Technology Crossover Ventures XI	\$ 45,000	10/2/2020	\$ 17,659	\$ -	\$ 13,010	\$ 13,010	NM
Technology Impact Fund	\$ 40,000	12/18/2017	\$ 32,648	\$ 10,887	\$ 79,335	\$ 90,222	75.4%
Technology Impact Fund II	\$ 40,000	4/13/2021	\$ 3,252	\$ -	\$ 2,953	\$ 2,953	NM
Technology Impact Growth Fund	\$ 40,000	11/26/2018	\$ 47,306	\$ 18,113	\$ 48,087	\$ 66,200	29.4%
Technology Impact Growth Fund II	\$ 40,000	8/6/2021	\$ 3,385	\$ -	\$ -	\$ -	NM
Thoma Bravo Fund XI	\$ 50,000	5/1/2014	\$ 69,098	\$ 118,090	\$ 98,628	\$ 216,718	31.8%
Thoma Bravo Fund XII	\$ 60,000	4/27/2016	\$ 68,543	\$ 21,478	\$ 102,423	\$ 123,901	18.6%
Thoma Bravo Fund XIII	\$ 45,000	12/7/2018	\$ 50,019	\$ 23,903	\$ 64,656	\$ 88,559	53.6%
Thoma Bravo Special Opportunities Fund II	\$ 15,000	3/27/2015	\$ 17,527	\$ 17,624	\$ 19,872	\$ 37,495	19.6%
Tillridge Global Agribusiness Partners II	\$ 50,000	10/21/2016	\$ 24,318	\$ 125	\$ 17,478	\$ 17,603	NM

(all dollar amounts in thousands)

# MainePERS Private Market Investments Summary: 12/31/2021

## Private Equity

Fund Name	Commitment (A)	Date of Commitment	Amount Contributed (B)	Total Distributions (C)	Current Market Value (D)	Total Value (C+D)	Interim Net IRR
Water Street Healthcare Partners III	\$ 25,000	7/25/2012	\$ 28,680	\$ 67,849	\$ 38,668	\$ 106,517	35.8%
Water Street Healthcare Partners IV	\$ 33,000	9/15/2017	\$ 24,481	\$ 10,624	\$ 27,385	\$ 38,008	12.0%
Wayzata Opportunities Fund III	\$ 30,000	9/11/2012	\$ 14,718	\$ 9,541	\$ 4,754	\$ 14,295	-2.1%
Wynnchurch Capital Partners IV	\$ 40,000	10/23/2014	\$ 36,991	\$ 33,609	\$ 61,538	\$ 95,147	28.3%
Wynnchurch Capital Partners V	\$ 40,000	1/15/2020	\$ 11,792	\$ -	\$ 10,117	\$ 10,117	NM

# MainePERS Private Market Investments Summary: 12/31/2021

## Real Estate

Fund Name	Commitment (A)	Date of Commitment	Amount Contributed (B)	Total Distributions (C)	Current Market Value (D)	Total Value (C+D)	Interim Net IRR
Angelo Gordon Net Lease IV	\$ 50,000	2/17/2020	\$ 23,768	\$ 368	\$ 25,451	\$ 25,819	NM
Bain Capital Real Estate II	\$ 50,000	3/5/2021	\$ 12,500	\$ 920	\$ 11,665	\$ 12,585	NM
Blackrock Granite Property Fund	\$ 63,791	9/30/2006	\$ 68,771	\$ 53,312	\$ -	\$ 53,312	-4.9%
Blackstone Property Partners	\$ 350,000	6/29/2017	\$ 350,000	\$ 26,022	\$ 426,215	\$ 452,238	8.4%
Blackstone Real Estate Partners VII	\$ 75,000	2/26/2012	\$ 99,956	\$ 128,582	\$ 37,119	\$ 165,701	15.5%
Blackstone Real Estate Partners VIII	\$ 50,000	3/27/2015	\$ 60,618	\$ 51,752	\$ 46,300	\$ 98,052	17.8%
Blackstone Real Estate Partners IX	\$ 40,000	12/21/2018	\$ 27,596	\$ 6,405	\$ 34,986	\$ 41,391	43.2%
Barings Asia Real Estate II	\$ 50,000	7/31/2018	\$ 18,916	\$ -	\$ 18,143	\$ 18,143	NM
EQT Real Estate II	\$ 55,000	4/26/2019	\$ 21,269	\$ 4,956	\$ 19,271	\$ 24,227	NM
EQT Real Estate Rock Co-Investment	\$ 11,000	8/10/2020	\$ 8,576	\$ -	\$ 11,487	\$ 11,487	NM
H/2 Credit Partners, L.P.	\$ 75,000	6/21/2011	\$ 75,000	\$ 112,177	\$ -	\$ 112,177	5.9%
Harrison Street Core Property Fund, L.P.	\$ 75,000	4/30/2012	\$ 94,262	\$ 45,467	\$ 125,643	\$ 171,110	8.7%
HSRE-Coyote Maine PERS Core Co-Investment	\$ 20,000	12/4/2020	\$ 14,000	\$ -	\$ 16,910	\$ 16,910	NM
High Street Real Estate Fund IV, L.P.	\$ 25,000	8/23/2013	\$ 24,717	\$ 34,157	\$ -	\$ 34,157	14.7%
High Street Real Estate Fund V	\$ 25,000	7/24/2015	\$ 24,925	\$ 36,045	\$ 131	\$ 36,176	13.3%
High Street Real Estate Fund VI	\$ 25,000	3/22/2019	\$ 25,000	\$ 1,343	\$ 30,865	\$ 32,209	23.9%
HSREF VI Elgin Co-Invest	\$ 10,000	4/9/2021	\$ 10,000	\$ 175	\$ 12,550	\$ 12,725	NM
High Street Real Estate Fund VII	\$ 35,000	8/16/2021	\$ 0	\$ -	\$ (295)	\$ (295)	NM
Hines US Property Partners	\$ 200,000	9/9/2021	\$ 30,526	\$ 3,510	\$ 26,595	\$ 30,105	NM
Invesco Real Estate Asia IV	\$ 30,000	3/25/2020	\$ 3,742	\$ 1,793	\$ 2,405	\$ 4,198	NM
Invesco US Income Fund	\$ 150,000	7/17/2014	\$ 164,001	\$ 50,278	\$ 255,050	\$ 305,328	12.1%
IPI Data Center Partners I	\$ 30,000	12/15/2017	\$ 31,563	\$ 14,995	\$ 41,674	\$ 56,668	29.0%
IPI Data Center Partners II	\$ 25,000	12/20/2019	\$ 7,349	\$ 1,619	\$ 5,101	\$ 6,720	NM
JPMCB Strategic Property Fund	\$ 130,000	11/15/2005	\$ 186,941	\$ 297,519	\$ -	\$ 297,519	5.9%
KKR Real Estate Partners Europe I	\$ 50,000	12/2/2015	\$ 50,464	\$ 41,031	\$ 24,014	\$ 65,045	10.6%
KKR Real Estate Partners Europe II	\$ 25,000	12/23/2019	\$ 11,604	\$ -	\$ 12,928	\$ 12,928	NM
KKR Real Estate Partners Americas I	\$ 50,000	12/20/2013	\$ 49,632	\$ 59,226	\$ -	\$ 59,226	11.4%
KKR Real Estate Partners Americas II	\$ 50,000	6/2/2016	\$ 54,319	\$ 54,236	\$ 22,818	\$ 77,054	24.0%

# MainePERS Private Market Investments Summary: 12/31/2021

## Real Estate

Fund Name	Commitment (A)	Date of Commitment	Amount Contributed (B)	Total Distributions (C)	Current Market Value (D)	Total Value (C+D)	Interim Net IRR
Northbridge-Strategic Fund II	\$ 30,000	2/8/2019	\$ 30,000	\$ 944	\$ 33,243	\$ 34,187	4.8%
Prima Mortgage Investment Trust, LLC	\$ 75,000	7/29/2011	\$ 97,363	\$ 45,955	\$ 88,583	\$ 134,538	4.2%
Principal Life Insurance Company U.S. Property PRISA	\$ 60,000	5/20/2005	\$ 60,000	\$ 125,410	\$ -	\$ 125,410	6.2%
Rubenstein Properties Fund III	\$ 90,000	6/30/2005	\$ 139,622	\$ 222,450	\$ -	\$ 222,450	5.3%
LCC Co-Investor B	\$ 30,000	10/23/2015	\$ 30,606	\$ 627	\$ 30,323	\$ 30,951	0.4%
Rubenstein Properties Fund IV	\$ 15,000	10/18/2019	\$ 13,565	\$ -	\$ 13,002	\$ 13,002	-2.1%
Rubenstein Properties Fund IV	\$ 25,000	4/16/2019	\$ 3,125	\$ -	\$ 2,183	\$ 2,183	NM
Prudential Senior Housing Fund V	\$ 50,000	3/17/2015	\$ 41,333	\$ 3,783	\$ 52,416	\$ 56,199	7.6%
Smart Markets Fund, L.P.	\$ 150,000	6/17/2013	\$ 164,172	\$ 56,314	\$ 252,118	\$ 308,431	10.4%
Walton Street Real Estate Fund VII	\$ 50,000	5/9/2012	\$ 43,990	\$ 49,099	\$ 12,509	\$ 61,608	10.0%
Walton Street Real Estate Fund VIII	\$ 50,000	10/23/2015	\$ 42,686	\$ 24,965	\$ 33,135	\$ 58,100	12.2%
Co-Investment #1	\$ 10,000	9/27/2017	\$ 9,579	\$ 4,160	\$ 5,303	\$ 9,463	-0.4%
Westbrook Real Estate Fund IX	\$ 15,000	6/30/2014	\$ 17,361	\$ 17,080	\$ 3,439	\$ 20,519	6.4%
Westbrook Real Estate Fund X	\$ 50,000	1/15/2015	\$ 48,332	\$ 40,544	\$ 19,383	\$ 59,927	11.2%
Westbrook Real Estate Fund XI	\$ 40,000	1/31/2019	\$ 9,426	\$ 2,758	\$ 7,452	\$ 10,210	NM

## MainePERS Private Market Investments Summary: 12/31/2021

**Notes:** NM = Not Meaningful. MainePERS only reports IRRs for funds with more than 24 months of history and for which Amount Contributed is greater than 50% of Commitments. "Date of Commitment" is not the date of first capital draw. The "IRR" presented uses interim estimates and may not be indicative of ultimate performance of partnership investments due to a number of factors including lags in valuation, maturity of fund, and differences in investment pace and strategy of various funds. Performance figures should not be used to compare returns among multiple funds or different limited partners. Private market investments are long-term investments which are expected to generate returns over the course of their entire life cycle of 10 or more years. Common industry practice dictates that any performance analysis on these funds while they are still in the early years of their investment cycle would not generate meaningful results. The Interim Net IRR figures presented in this table are based on cash flow information provided by the general partner. The above information was not prepared, reviewed, or approved by any of the partnerships, general partners, or their affiliates and may differ from those generated by the general partner or other limited partners due to differences in timing of investments, disposal of in-kind distributions, and accounting and valuation policies.

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**MAINEPERS**

**BOARD OF TRUSTEES INVESTMENTS MEMORANDUM**

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**TO:** BOARD MEMBERS  
**FROM:** JAMES BENNETT, CHIEF INVESTMENT OFFICER  
**SUBJECT:** RISK DIVERSIFIERS REVIEW  
**DATE:** JUNE 2, 2022

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**POLICY REFERENCE**

[Board Policy 2.1 – Investment Policy Statement](#)

[Board Policy 4.5 – Board/Staff Relations](#)

[Board Policy 4.6 – Communication and Support to the Board](#)

MainePERS has worked with Cambridge Associates on a review of the System's Risk Diversifiers allocation. This included a review of the current strategies in the portfolio, portfolio construction by strategy and manager, and options to increase diversification while maintaining or enhancing the allocation's expected risk and return.

The presentation following this memo will be used to guide a discussion of the role of Risk Diversifiers in the overall Fund, the types of strategies currently in the allocation, and the expected evolution of the Risk Diversifier portfolio.

As noted in the presentation, the Investment Team expects to bring recommendations to the July Trustee meeting concerning (i) resizing existing managers, and (ii) authorization for future rebalancing across managers in the Risk Diversifier allocation.



# Risk Diversifiers Review

## June 9, 2022



**MainePERS**  
PUBLIC EMPLOYEES RETIREMENT SYSTEM



## Risk Diversifiers at MainePERS:

- Intended to provide the Fund with significant diversification away from Growth Assets, and expected to have low correlation with rising or falling markets over full cycles
- Provide exposure to return streams that differ from those available in passive public market investments

Risk Diversifiers were added to the MainePERS asset allocation in 2017 with a 10% target weight.

The target weight was reduced to 7.5% in 2021 to reflect the allocation's pace of investments.

Risk Diversifiers currently represent 7.1% of the total Fund.

# Risk Diversifiers: Current Portfolio Strategies

## Global Macro

- Invests based on analysis of macroeconomic factors such as interest and exchange rates, fundamental economic measures, and political developments. Strategies may be discretionary or fully systematic.

## Trend

- Systematic strategies that seek to identify price trends in a broad range of markets including equity, interest rates, commodities, and exchange rates

## Credit

- Invests based on fundamental credit research, commonly in structured instruments, and potentially in stressed or distressed situations

## Risk Premia

- Systematic strategies that seek to earn well-established risk premia such as Value, Momentum, Carry, etc.

## Multi-Strategy

- Dynamically allocates capital across range of sub-strategies (e.g., Credit, Event-Driven, Volatility, etc.)

## Other

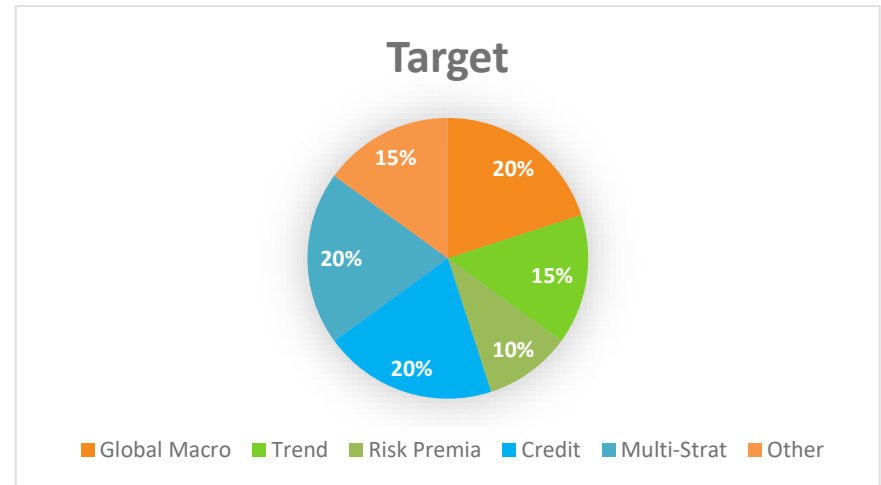
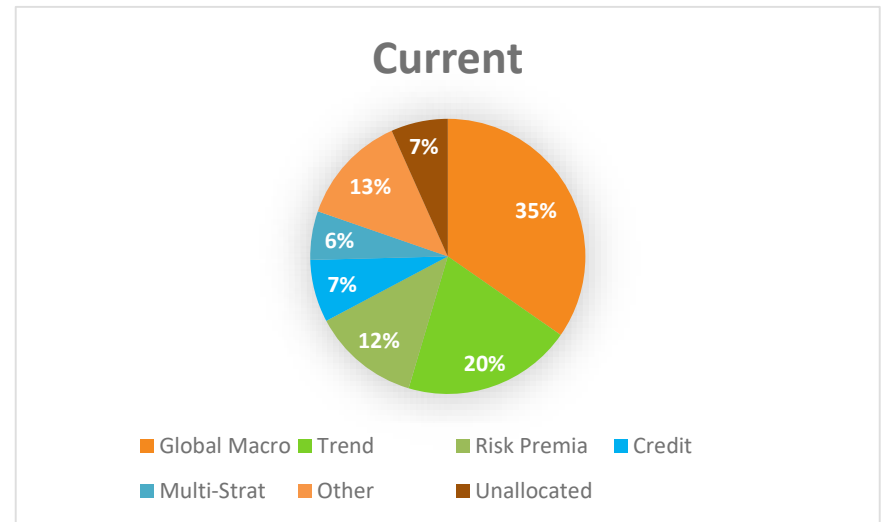
- Risk Regimes (risk on/off based on quantitative signaling model)

# Risk Diversifiers: Portfolio Construction

Portfolio currently contains eight distinct funds managed by six firms.

The Investment Team and Cambridge Associates are working to increase diversification by adding managers and re-allocating capital across strategies.

Current roadmap envisions  $\approx 12$  funds in the Risk Diversifiers portfolio.



# Risk Diversifiers: Diversification and Rebalancing

Overall, the Risk Diversifier portfolio is expected to be lower risk, with an expected volatility of around 7%.

However, individual investments within the allocation can be quite volatile.

In order to avoid taking uncompensated “idiosyncratic” risk arising from concentrated positions, it is important to maintain diversification across managers and strategies. MainePERS and Cambridge Associates are confident that we can continue to identify investments that will allow diversification without sacrificing returns.

Maintaining diversification also requires periodic rebalancing to keep individual investments near their target weights.

We will continue moving toward target allocations via a combination of

- Investments in new managers and strategies
- Resizing and/or eliminating current strategies

In July, the Investment Team plans to bring recommendations concerning strategies currently in the Risk Diversifier allocation as well as a recommendation to authorize future rebalancing across managers as needed.

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# MAINEPERS

## BOARD OF TRUSTEES RULEMAKING MEMORANDUM

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**TO:** BOARD MEMBERS  
**FROM:** MICHAEL J. COLLERAN, CHIEF OPERATING OFFICER AND  
GENERAL COUNSEL  
**SUBJECT:** RULEMAKING UPDATE  
**DATE:** JUNE 2, 2022

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A public hearing on proposed amendments to Rule Chapter 803 will be held as part of the Board meeting. A public hearing provides an opportunity for members of the public to comment on the proposed rulemaking. It is not the time for the Board to make any decisions or for the Board or staff to provide responses to any comments or questions. Comments from the public may also be submitted in writing through June 20, 2022. We then will consider all comments, make any revisions we think appropriate in response to the comments, and bring a recommendation to the Board for action at a future meeting.

We intend to publish notice of intent to amend Rule Chapter 414, Required Minimum Distributions, to address default distributions to beneficiaries who fail to make a benefit election. A public hearing would be held at the July Board meeting.

### **POLICY REFERENCE**

[Board Policy 2.3 -- Rulemaking](#)

[Board Policy 4.5 – Board/Staff Relations](#)

[Board Policy 4.6 – Communications and Support to the Board](#)

### **RULE CHAPTER 803**

Rule 803 contains plan provisions for the PLD Consolidated Plan. We are proposing amendments to this rule to provide an additional 1% cost of living adjustment for the current year, correct erroneous cross-references, and remove obsolete language. A copy of the proposed amended rule is attached.

### **RECOMMENDATION**

*No Board action is required at this time.*

**94-411 MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM**

**Chapter 803: PARTICIPATING LOCAL DISTRICT CONSOLIDATED RETIREMENT PLAN**

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**SUMMARY:** This chapter establishes a consolidated retirement plan, as required by 5 M.R.S. §18801 *et seq.* for local districts that are participating local districts under 5 M.R.S., Chapter 425 before the date the plan is put into operation and for local districts that enter into agreements for the participation of their employees in the Maine Public Employees Retirement System after The Plan is put into operation.

**NOTE:** 5 M.R.S., Chapter 421, *General Provisions*, is applicable to all activities relating to the Maine Public Employees Retirement System, including the subject matter of this chapter of the rules of the Board of Trustees (“Board”). 5 M.R.S., Chapter 427, *Participating Local Districts Consolidated Plan*, is the statute from which this chapter of the rules of the Board derives its authority and is applicable to all activity based upon this chapter.

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**SECTION 1. DEFINITIONS**

1. **Local District.** "Local district" means:
  - A. Any county, municipality, quasi-municipal corporation or incorporated instrumentality of the State or of one or more of its political subdivisions;
  - B. Any incorporated association of employees of the State or employees of any of the entities set out in paragraph A;
  - C. Any incorporated association of any of the entities set out in paragraph A;
  - D. Any entity eligible to become a participating local district before January 1, 1976;
  - E. Any entity participating in the Retirement System before January 1, 1976; or
  - F. Any educational institution in the State teaching courses equivalent to or higher than secondary institutions.
  - G. Any public charter school, as authorized by Title 20-A, chapter 112.
2. **“Consumer Price Index”** means:
  - A. The Consumer Price Index for All Urban Consumers, CPI-U, as compiled by the Bureau of Labor Statistics, United States Department of Labor; or
  - B. If the index described in paragraph A is revised or superseded, the Board must employ the Consumer Price Index compiled by the Bureau of Labor Statistics, United States Department of Labor that the Board finds to be most reflective of changes in the purchasing power of the dollar for the broadest population of consumers, including retired consumers.

3. **"Current Employer"** means the employer who is the member's employer at the time the member becomes a member under The Plan.
4. **"Member"** means any employee included in the membership of The Plan.
5. **"Normal Retirement Age"** means the specified age, the years of service requirement or any combination of age and years of service requirements at which a member becomes eligible for an unreduced retirement benefit.
6. **"Participant"** means any employee included in the defined contribution plan under this chapter.
7. **"Participating Local District"** means a local district which has approved the participation of its employees in the Retirement System under 5 M.R.S. §18201 or §18804.
8. **"The Plan"** means the defined benefit plan under the consolidated retirement plan for local districts established by 5 M.R.S., Chapter 427 (§18801 *et seq.*) and this chapter.
9. **Other Terms.** All other terms used in this chapter, unless the context otherwise indicates, shall have the same definitions as in 5 M.R.S. §17001.

## SECTION 2. LOCAL DISTRICT PARTICIPATION

1. **Participating Local District Election.** Before July 1, 1996, the executive body or legislative body of each local district that is a participating local district under 5 M.R.S., Chapter 425 (§18201 *et seq.*) must, by resolution or order, elect one of the following options. Failure to make an election will have the same effect as electing paragraph B.
  - A. **To Join The Plan.** A participating local district may elect to participate in The Plan in accordance with the requirements of 5 M.R.S. §18804. Upon receipt of the certified copy of the resolution or order and record of the vote, the Executive Director shall prepare an agreement, to be signed by the authorized representative of the district and the Executive Director, specifying the parts of The Plan applicable to the district and the duties and rights of the district and the Retirement System. The resolution or order shall include:
    - (1) Approval of the participation in The Plan;
    - (2) The regular service retirement benefit plan and, if applicable, the special service retirement benefit plan elected from those provided by this chapter for the district's employees; and
    - (3) The name or title of the person authorized to sign the agreement on behalf of the local district.
  - B. **To Be Transferred to The Plan.** A participating local district may elect to have its participation in the Retirement System transferred to The Plan without electing the retirement benefit plan or plans for the district's employees.



- (1) The Retirement System will transfer the district's employees to the plan or plans with the benefit level or levels closest to the district's current plan or plans.
  - (2) The resolution or order shall include the same information as that required under paragraph A, except that it shall state that the Retirement System is to determine the retirement benefit plan or plan that apply to the district's employees.
  - (3) The agreement as prepared by the Executive Director shall be as provided in paragraph A.
- C. **To Withdraw from the Maine Public Employees Retirement System.** Subject to 5 M.R.S. §18203, a participating local district may withdraw from participation in the Retirement System. The effect of withdrawal on the district's employees is governed by 5 M.R.S. §18254.
2. **Local District May Enter into Agreement for The Plan.** Any local district that is not a participating local district before July 1, 1993, may enter into an agreement for participation of its employees in the Retirement System only under The Plan and in the manner provided by 5 M.R.S. §18804, sub-§1 or 2. Upon receipt of the certified copy of the resolution or order and record of the vote, the Executive Director shall prepare an agreement specifying the parts of The Plan applicable to the district and the duties and rights of the district and the Retirement System. The resolution or order shall include:
- A. Approval of the participation in The Plan;
  - B. The regular service retirement benefit plan and, if applicable, the special service retirement benefit plan elected from those provided by this chapter for the district's employees;
  - C. A list of classes, and a list by name and social security number, of any employees who are excluded from membership based upon their being provided for by local pension provisions;
  - D. Any limitations on the granting of service credits to employees for service before the beginning date of the participation of its employees in The Plan; and
  - E. The name or title of the person authorized to sign the agreement on behalf of the local district.
3. **Effective Date; Date of Operation; Date of Participation**
- A. **Effective Date.** July 1, 1993, is the effective date of The Plan. Participating local districts and other local districts may enter into an agreement to participate in The Plan on and after that date.
  - B. **Date the Plan Goes into Operation.** The Plan will be put into operation as of July 1 immediately following the date when:

- (1) The number of local districts that have entered into agreements for participation in The Plan with an election of regular service retirement benefits for their employees exceeds 3% of the districts which as of that date are participating in the Retirement System in regular service retirement benefit plans;
  - (2) The number of local districts that have entered into agreements for participation in The Plan with an election of special service retirement benefits for their employees exceeds 3% of the districts which as of that date are participating in the Retirement System special service retirement benefit plans; and
  - (3) In each instance the total number of members employed by districts that have entered agreements exceeds 5% of the total of all participating local district members in each category as of that date.
- C. **Date of Participation.** The date of participation in The Plan for a participating local district is the first day of the month that most immediately follows the date on which the agreement for participation is signed by the Executive Director and the authorized representative of the participating local district or such later date stated in the agreement or amendment, unless The Plan is not then in operation, in which case, the date of participation is the date on which The Plan goes into operation.
4. **Full Withdrawal from The Plan.** A participating local district may fully withdraw from participation in The Plan by filing with the Board of Trustees a duly certified copy of the withdrawal vote of the body entitled to approve participation under 5 M.R.S. §18804, sub-§1 or 2. The withdrawal date is the later of the last day of the month following the month in which the certified notice is received by the Board or the last day of a later month specified in the notice. The effect of withdrawal on the district's employees is governed by 5 M.R.S. §18254, sub-§1 through 4.
1. A participating local district that withdraws from participation in The Plan must continue to make payments as required under Section 5, subsection 2.
  2. Additionally, the withdrawing participating local district must make a withdrawal liability payment determined as follows:
    - (1) The System's actuary will calculate the pooled unfunded actuarial liability of The Plan as of the most recent valuation date that precedes the withdrawal date. The actuary will allocate a portion of the pooled unfunded actuarial liability to the withdrawing participating local district on the basis of the proportion of the withdrawing participating local district's total covered payroll to the total covered payroll of The Plan as of the valuation date.
    - (2) Unless otherwise agreed under subparagraph 3, the actuary will subtract from the withdrawing participating local district's portion calculated under subparagraph 1 the present value, as of the withdrawal date, of pooled unfunded actuarial liability payments the participating local district has made since the valuation and pooled unfunded actuarial liability payments the participating local district is expected to pay through the payment of employer contributions after withdrawal on those employees who remain active members. The difference is the withdrawal liability payment amount.

- (3) As an alternative to subparagraph 2, the Executive Director and the withdrawing participating local district may agree that the withdrawal liability payment amount is the withdrawing participating local district's portion as calculated under subparagraph 1, reduced only by the present value, as of the withdrawal date, of any pooled unfunded actuarial liability payments the participating local district has made since the valuation. In that case, the withdrawing participating local district's obligations under paragraph A do not include payments under Section 5, subsection 2, paragraph C.
    - (4) The withdrawing participating local district may pay this withdrawal liability amount in a lump sum or amortize it over a period of up to 30 years at the actuarial assumed rate of return used in the most recent valuation that precedes the withdrawal date.
  3. The withdrawing participating local district remains a participating local district subject to this rule until it has no remaining active members and all of its liabilities for inactive vested members, retired members and beneficiaries of retired members have been satisfied according to the requirements of federal and state law, and rules and policies governing satisfaction of liabilities.
- 4-1. **Partial Withdrawal from The Plan.** For purposes of this subsection, a partial withdrawal occurs when a participating local district elects a change under subsection 7 that excludes a category of employees from membership who would have been eligible for membership absent the change. In the case of a partial withdrawal, the participating local district must make a withdrawal liability payment calculated and paid in the same manner as set forth in subsection 4, paragraph B, except that the portion of The Plan's pooled unfunded actuarial liability that will be allocated to the partially-withdrawing participating local district will be based on the proportion of the district's covered payroll for that category of employees to the total covered payroll of The Plan as of the valuation date.
5. **Resumption of Participation after Withdrawal.** A participating local district that has withdrawn from The Plan under subsection 1, paragraph C or subsection 4 may resume participation in The Plan by taking the actions required by subsection 2.
  - A. A participating local district which has resumed participation and which thereafter again withdraws may not subsequently again resume participation before 3 years from the date of its immediately prior withdrawal.
  - B. A local district may resume participation only under the consolidated plan. The retirement benefit plan adopted by the local district on resumption is applicable to all current and future employees who are members if the plan results in a higher level of benefits for the district's employees. The plan adopted on resumption is applicable only to new employees if the plan results in a lower level of benefits for the district's employees or results in a change from a plan with cost of living adjustments to a plan without cost of living adjustments.
  - C. **Effect on employees.** Except as set forth below in this paragraph C, employees of a local district which resumes participation in the Retirement System are eligible for membership in the System on the same basis as employees of a local district upon initial participation.

- (1) Employees who did not withdraw from membership when the local district withdrew from participation in the System may continue membership on the same basis as before the resumption of participation and are entitled to any additional benefit provisions selected and any increase in the level of benefits provided under The Plan.
  - (2) Employees for whom membership was compulsory who withdrew from membership when the local district withdrew from participation in the System must resume membership in the System if membership with the local district remains compulsory upon the resumption of participation by the local district.
    - (a) These employees may receive service credits for previous membership service upon repayment of withdrawn accumulated contributions and applicable interest.
    - (b) These employees may not purchase service credits for periods of employment between withdrawal from membership and resumption of participation by the local district.
  - (3) Employees for whom membership was not compulsory and who elected not to become or remain a member may not be a member as an employee of that local district unless the employee is electing to rejoin The Plan and:
    - (a) The employee is covered by a plan provided by the employer under section 5 M.R.S. §18252-B with an employee contribution rate that is not lower than the employee contribution rate for the applicable plan under The Plan; and
    - (b) Employee contributions after rejoining The Plan qualify for treatment as pick-up contributions for federal tax purposes and the person's membership otherwise complies with the United States Internal Revenue Code as applicable to governmental qualified defined benefit plans.
  - (4) The participating local district may allow current employees who began service with the district after the district withdrew from participation to purchase service credits for service rendered from the time of hire to the resumption of participation. The purchase of such service credits is governed by 5 M.R.S. §18253, sub-§2, paragraphs A and B.
  - (5) If the district grants prior service credits, those service credits shall be based only upon the employee's employment with the district before the district's initial date of participation.
6. **Disbanded or Dissolved Districts.** The effect of the disbanding or dissolution of a district that participates in The Plan on the membership and benefits of its employees is governed by 5 M.R.S. §18255 and §18408.
7. **Change of Service Retirement Benefit Plan or Plans.** After beginning participation in The Plan, a participating local district may elect to change the service retirement benefit plan or plans which apply to the district's employees by following the same process set forth in Section 2 for participation in The Plan. The change is applicable to all current and future

employees who are members, if the change results in a higher level of benefits for the district's employees. The change is applicable to new employees only, if the change results in a lower level of benefits for the district's employees or results in a change from a plan with cost of living adjustments to a plan without cost of living adjustments.

The Executive Director shall prepare either a new agreement or an amendment to the district's agreement which will be signed by the authorized representative of the district and the Executive Director. The effective date of the change is the first day of the month that most immediately follows the date the new agreement or amendment to the agreement is signed by the authorized representative of the district and the Executive Director or such later date stated in the agreement or amendment.

### SECTION 3. MEMBERSHIP

1. **Compulsory Membership.** Membership is compulsory for all employees who are in the service of a participating local district on the date when participation of the employees of that district in The Plan begins and who are members of the System on that date and for all employees entering the service of that district after that date, except as provided under subsection 2 and 3. A local district that is not a participating local district before July 1, 1993, shall designate in its resolution or order approving participation any class of employees otherwise provided for by local pension provisions who are excluded from membership in The Plan as provided under 5 M.R.S. §18804, sub-§3.
2. **Optional Membership.** Optional membership under The Plan for employees of participating local districts is governed as follows:
  - A. **Member When Participation of Employees Begins.** Membership is optional for employees in the service of a local district on the date when the participation in the Retirement System of the employees of the local district first begins, whether under 5 M.R.S., Chapters 425 or 427.
  - B. **Elected or Appointed Officials.** Membership is optional for elected officials and officials appointed for a fixed term.
  - C. **Trustees of Water, Sanitary and Sewer Districts.** Membership of trustees of water, sanitary and sewer districts is subject to the following:
    - (1) **Water districts.** Membership of trustees of a water district is governed by 35-A M.R.S., §6410, subsection 8;
    - (2) **Sanitary districts.** Membership of trustees of a sanitary district is governed by 38 M.R.S. §1104.
    - (3) **Sewer districts.** Membership of trustees of a sewer district is governed by 38 M.R.S. §1036.
  - D. **Employees Covered by Social Security.** Membership is optional for an employee of a participating local district who is covered under the *United States Social Security Act*. Except as provided by paragraph H, optional membership for those employees is subject to 5 M.R.S. §18252.

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- E. **Employees Not Covered by Social Security.** Membership is optional for any employee of a participating local district that does not provide Social Security coverage provided that the district offers an alternative plan that meets the requirements of 5 M.R.S. §18252-B, and provided that the employee participates in the alternative plan. Optional membership for those employees is subject to 5 M.R.S. §18252-A as amended by PL 2021, c. 90.
  - F. **Chief Administrative Officer.** Membership is optional for a chief administrative officer of a participating local district, whether appointed for a fixed term or whether appointed with tenure.
  - G. **Employees Not Subject to Municipal Public Employees Labor Relations Law.** Membership is optional for those employees who are not subject to the municipal public employees labor relations laws contained in 26 M.R.S., Chapter 9-A.
  - H. Membership for employees of a participating local district that provides a plan under 5 M.R.S. §18252-B is governed by 5 M.R.S. §18252-A as amended by PL 2021, c. 90.
  - I. The provisions of 5 M.R.S. §18252-C apply only to employees of participating local districts who specifically adopt them in their participation agreement.
- 3. **Part-Time, Seasonal or Temporary Employees.** Membership of part-time, seasonal and temporary employees, as defined by Chapter 802 (94-411 CMR 802) of the rules of the Board is determined by the election made by each participating local district under Section 2.
  - 4. **Cessation of Membership.** A member ceases to be a member of the Retirement System if the member:
    - A. **Withdrawal.** Withdraws accumulated contributions;
    - B. **Beneficiary.** Becomes a beneficiary as a result of the member's own retirement; or
    - C. **Death.** Dies.
  - 5. **Service in the Armed Forces.** The membership of the following members under The Plan is considered to have continued during the period of the member's service in the Armed Forces of the United States:
    - A. Any member entering a class of service in the Armed Forces of the United States approved by resolution of the Board, if the member does not withdraw accumulated contributions;
    - B. Any member who enlists in or is inducted or drafted into the service of the Armed Forces of the United States; and
    - C. Any member who enlists in or is inducted or drafted into the service of the Armed Forces of the United States while the *United States Selective Service Act of 1948*, Public Law 759, or any of its amendments or extensions is in effect.

**SECTION 4. PORTABILITY OF SERVICE CREDITS; ELIGIBILITY TO RETIRE, COMPUTATION OF BENEFIT**

1. **Two or More Employers under The Plan.** A member's benefits are based upon all creditable service with all participating employers while a member under The Plan, and creditable service with the member's employer on the date the member began participation under The Plan. When a member under The Plan terminates employment and is subsequently reemployed by another employer whose employees participate in The Plan, the member is not considered to be reemployed by a new employer. If the member is reemployed by the subsequent employer as of the first work day following termination of employment with the previous employer, for the purpose of determining eligibility for benefits, the member is considered to have continuous membership and creditable service.
2. **Previous Employer Not under The Plan; Subsequent Employer under The Plan.** When a member either terminates employment with an employer that has withdrawn from the System, or terminates employment with another employer under the System whose employees are not covered by The Plan, and is employed by a subsequent employer whose employees are members under The Plan, the member's creditable service with the previous employer is used in determining eligibility to retire under the subsequent employer's regular service retirement benefit plan under Section 7. Benefits for service with the previous employer are based upon creditable service and earnable compensation with the previous employer and the provisions of 5 M.R.S., Part 20 in effect with respect to the previous employer at the date of termination of service by the member. A county or municipal law enforcement officer or a municipal firefighter who is eligible under 5 M.R.S. §18253, sub-§1, paragraph E, and who elects to make the contribution necessary under Section 5, subsection 1, paragraph K may include all or part of the creditable service earned with a previous employer with service earned with the new employer both for the purpose of qualification for a service retirement benefit and for the benefit computation.
3. **Previous Employer under The Plan; Subsequent Employer Not under The Plan.** Membership, creditable service and benefits of a member under The Plan who terminates employment and is reemployed as a state employee or teacher are governed by 5 M.R.S. §17656, sub-§1. Until July 1, 1996, membership, creditable service and benefits of a member under The Plan who terminates employment and is reemployed by a participating local district whose employees do not participate in The Plan are governed by 5 M.R.S. §18253, sub-§1. As required by Section 2, paragraph 1, as of July 1, 1996, each local district that is a participating local district must have either entered into an agreement to participate in The Plan or have withdrawn from participation in the Retirement System.
4. **Service under Two or More Special Service Retirement Benefit Plans; Eligibility to Retire.** If a member accrues service credits under more than one special service retirement benefit plan in The Plan, whether with the same employer or more than one employer, credit from service under other special plans toward meeting the retirement eligibility requirements of the special plan from which the member retires is transferred based upon the percentage of the eligibility requirements for the previous plan or plans which were met while under the previous plan or plans. For example, a member who accrues 10 years of creditable service under Special Service Retirement Benefit Plan 1 (1/2 of AFC after 20 years) would have completed 50% of the eligibility requirement under that plan and upon transferring to employment under Special Service Retirement Benefit Plan 2 (1/2 of AFC after 25 years) would be entitled to 50% of the eligibility requirements for that plan; i.e., 12.5 years. The member's benefit would be calculated at 2.5% of AFC for each year under Plan 1 and at 2% for each year under Plan 2.

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5. **Service under Two or More Service Retirement Benefit Plans – One Regular and One Special; Eligibility to Retire**
- A. **Regular Service before Special Service.** If a member under The Plan accrues service credits under a regular service retirement plan before accruing service credits under a special service retirement benefit plan, whether with the same employer or more than one employer,
- (1) the member may retire at any time after the member qualifies for a special service retirement benefit under Section 8. The regular plan service credits may be used toward qualifying to retire under a special service retirement benefit as provided in Section 8. The regular plan service credits used towards qualification for a special service retirement benefit are considered to be special plan service credits for the purpose of computation of the special service retirement benefit as provided in Section 8. If the application of the provisions of Section 4, subsection 6 would result in a greater service retirement benefit, then the benefit will be computed under that section.
  - (2) A member who does not qualify to retire under a special service retirement plan may retire under a regular service retirement plan at any time after the member qualifies under Section 7. The service retirement benefit for all service is computed as provided in Section 7.
- B. **Special Service before Regular Service.** If a member under The Plan accrues service credits under a special service retirement benefit plan before accruing service credits under a regular service retirement benefit plan, whether with the same employer or more than one employer,
- (1) before qualifying to retire under a special service retirement plan, the member may retire at any time after completing 25 years total service or reaching normal retirement age with at least one year of service. The service retirement benefit for all service is computed as provided in Section 7.
  - (2) after qualifying to retire under a special service retirement plan, the member may retire at any time. The portion of the benefit that is based upon service credits under a regular service retirement benefit plan is subject to early retirement reduction if retirement is before normal retirement age. The portion of any benefit paid to a member that is based upon service credits under Special Service Retirement Benefit Plan 4 is also subject to early retirement reduction, if retirement is before age 55.
6. **Service under Two or More Service Retirement Benefit Plans; Computation of Benefits.** When a member has creditable service under two or more service retirement benefit plans, the appropriate benefit formula is applied to each period of service as provided by Section 7, “Regular Service Retirement Benefits Plans” and Section 8, “Special Service Retirement Benefit Plans”. All benefits based upon creditable service under The Plan are based upon one calculation of average final compensation.



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**SECTION 5. CONTRIBUTIONS****1. Member contributions**

- A. **Active Member.** Each member under The Plan shall contribute to the Retirement System or have pick-up contributions made by the employer at a rate provided by Sections 7, 8, and 9. The contribution rate for a member is the rate assigned to the retirement benefit plan under which the member is accruing service credits.
- B. **Former Members; Service under The Plan.** Any former member who, after having terminated service while a member under The Plan and having withdrawn accumulated contributions, again becomes a member under The Plan may repay the withdrawn contributions to the Members' Contribution Fund under the following conditions:
- (1) **Time.** The repayment must be made before the date any retirement benefit becomes effective for the member.
  - (2) **Manner of Repayment.** The repayment must be made to the Retirement System consistent with Chapter 406 (94-411 CMR 406) of the rules of the Board.
  - (3) **Amount of Repayment.** The amount of repayment must be equal to the withdrawn accumulated contributions plus interest on the amount of those accumulated contributions, beginning on the date of withdrawal to the date the repayment or repayments are made, at a rate to be set by the Board not to exceed regular interest by 5 or more percentage points.
  - (4) **Credit under The Plan.** Except as provided in paragraph C, only withdrawn contributions relating to creditable service under The Plan may be repaid for service credit under The Plan.
- C. **Service Not under The Plan**
- (1) **Withdrawn Contributions**
    - (a) Any member who had service while not a member under The Plan and having withdrawn contributions relating to that service may repay the withdrawn contributions to the Members Contribution Fund under the conditions specified in paragraph B, subparagraphs 1 to 3. Creditable service related to these repaid contributions is used in determining eligibility to retire under the applicable regular service retirement benefit plan under Section 7. Benefits for that service are calculated based on that service and on earnable compensation related to that service in accordance with applicable provisions of 5 M.R.S., Part 20 in effect with respect to the previous employer's regular service retirement plan immediately before that employer's employees became members under The Plan. The additional liability relating to the service credits granted under this division becomes part of the previous employer's unpooled unfunded actuarial liability as provided in subsection 2, paragraph A, subparagraph 2.
    - (b) Any member who had service while not a member under The Plan and having withdrawn contributions relating to that service may

repay the withdrawn contributions to the Members Contribution Fund under the conditions specified in paragraph B, subparagraphs 1 to 3. Creditable service related to these repaid contributions is used in determining that a member is qualified to retire and in the computation of retirement benefit under the applicable service retirement benefit plan under Section 7 or Section 8. Unless the service was with the same employer that is the member's employer at the time the contributions are repaid, the contributions provided for under this subparagraph may be repaid only after the participating local district that is the member's employer at the time the contributions are repaid agrees to assume the additional liability incurred as part of the district's unpooled unfunded actuarial liability as provided in subsection 2, paragraph A, subparagraph 2.

(2) **Non-member Service**

- (a) Subject to the personnel rules or policies of the member's employer at the time of the service; provided the member has continued to be employed by that employer; and subject to 5 M.R.S. §18305-B, a member who had service as an employee of a participating local district for which contributions were not made may receive service credit for that service upon paying the appropriate contributions to the Members Contribution Fund under the conditions specified in paragraph B, subparagraphs 2 and 3. Creditable service related to these contributions is used in determining that a member is qualified to retire and in the computation of retirement benefit under the applicable service retirement benefit plan under Section 7 or Section 8. The additional liability relating to the service credits granted under this division becomes part of the district's unpooled unfunded actuarial liability as provided in subsection 2, paragraph A, subparagraph 2.
- (b) Subject to 5 M.R.S. §18305-B, a member who had service as an employee of any participating local district for which contributions were not made may receive service credit for that service upon paying the appropriate contributions to the Members Contribution Fund under the conditions specified in paragraph B, subparagraphs 2 and 3. Creditable service related to these contributions is used in determining that a member is qualified to retire and in the computation of retirement benefit under the applicable service retirement benefit plan under Section 7 or Section 8. The contributions provided for under this subparagraph may be made only after the participating local district that is the member's employer at the time the contributions are made and the service credits are granted agrees to assume the additional liability incurred as part of the district's unpooled unfunded actuarial liability as provided in subsection 2, paragraph A, subparagraph 2.

D. **Optional Members with non-member service.** The purchase of service credit for a member for whom membership is optional under Section 3, subsection 2 who had service as an employee of a participating local district for which contributions were not made is governed by 5 M.R.S. §18305-B, provided that the member has

continued to be employed by the same employer as that during which no contributions were paid.

- E. **Former Member; Withdrawal by Employees Not Covered by Social Security.** In addition to paragraphs B and C, the repayment of contributions that were withdrawn by a member who is an employee of a participating local district that is not covered under a Social Security Section 218 agreement but that has a plan that meets the requirements of 5 M.R.S. §18252-B is subject to the provisions of 5 M.R.S. §18252-A as amended by PL 2021, c. 90.
- F. **Service in the Armed Forces before Becoming a Member.** A member who qualifies under Section 6, subsection 4, paragraph B, sub-paragraphs 1 through 4, shall contribute to the Retirement System for the period of service in the Armed Forces under the following terms and conditions:
- (1) Contributions are calculated at the percentage rate required of active members during the period of time covered by the service in the Armed Forces applied to the member's earnable compensation during the first year as an employee subsequent to service in the Armed Forces under the following terms and conditions:
    - (a) The payment may not be made until the member has accumulated at least 15 years of creditable service and must be made before the date any retirement benefit becomes effective for the member;
    - (b) If 2 or more percentage rates were in effect during the period of service in the Armed Forces, the highest percentage rate is used;
    - (c) The minimum rate is 5%; and
    - (d) Interest at a rate set by the board not to exceed regular interest by 2 or more percentage points is paid on the unpaid balance beginning January 1, 1976, or the date of attaining 15 years of creditable service, if later, to the date payment is made.
  - (2) **Manner of Repayment.** The repayment must be made to the Retirement System consistent with Chapter 406 (94-411 CMR 406) of the rules of the Board.
- G. **Service in the Armed Forces after Becoming a Member.** For members who qualify to have their membership in the Retirement System continued under Section 3, subsection 5 because of service in the Armed Forces of the United States, the participating local district shall contribute to the Members' Contribution Fund the same amount that the member would have been required to contribute if the member had been serving the district during the period of service in the Armed Forces in the same capacity in which the member was serving at the time the member joined the Armed Forces. Any member whose contributions to the Members' Contribution Fund are paid by the district under this subsection, who withdraws or ceases to be a member of the Retirement System, may not withdraw any of the contributions made by the district under this subsection. Upon receiving written certification and substantiation from the member's employer that a member has met the requirements of Section 3, subsection 5 and Section 6, subsection 4, paragraph A, the System shall calculate the member contributions applicable to the period of service in the Armed

Forces. The participating local district by which the member is employed is responsible for those contributions and will be billed by the System.

H. **Out-of-state Service.** A member who qualifies under Section 6, subsection 5, must make contributions into the Members' Contribution Fund for the years of out-of-state service under the following terms and conditions:

- (1) Contributions are calculated on the same basis as the member would have made contributions had the service been in the State;
  - (a) The payment may not be made until the member has accumulated at least 20 years of creditable service in the Retirement System and must be made before the date any retirement benefit becomes effective for the member; and
  - (b) Interest at a rate, to be set by the Board, not to exceed regular interest by 5 or more percentage points is paid on the unpaid balance. Interest shall be computed from the end of the year when those contributions would have been made, if the service had been in the State, to the date of payment.
- (2) **Manner of Payment.** The payment must be made to the Retirement System consistent with Chapter 406 (94-411 CMR 406) of the rules of the Board.

I. **Refund of Contributions.** Refunds of contributions to members under The Plan are subject to 5 M.R.S. §§ 18306-A and 18307-A.

J. **Teachers in Private, Parochial and Other Schools.** A member who qualifies under Section 6, subsection 8, must make contributions into the Members' Contribution Fund for the years of private, parochial or other school service under the following terms and conditions:

- (1) Contributions are calculated on the same basis as the member would have made contributions had the service been as a state employee or teacher in the State. The member's earnings for the years of private or parochial teaching must be assumed to have been the same as the average salary for teachers in the State as determined by the Department of Education for each of the years when the private or parochial school teaching took place.
  - (a) The payment may not be made until the member has accumulated at least 20 years of creditable service in the Retirement system as a member of the participating local district and must be made before the date any retirement benefit becomes effective for the member;
  - (b) Interest at a rate, to be set by the Board, not to exceed regular interest by 5 or more percentage points is paid on the unpaid balance. Interest shall be computed from the end of the year when those contributions would have been made, if the service had been as a state employee or teacher in the State, to the date of payment.
- (2) **Manner of Payment.** The payment must be made to the Retirement System consistent with Chapter 406 (94-411 CMR 406) of the rules of the Board.

- K. **Portability of Service.** A member who elects under 5 M.R.S. §18253, sub-§1, paragraph E to include all or part of the creditable service and earnable compensation from a prior plan with service earned under The Plan may do so under the following terms and conditions:
- (1) Before any retirement benefit becomes effective for that member, the member must pay into the Members' Contribution Fund an amount that, together with regular interest on that amount, is the actuarial equivalent, at the effective date of the retirement benefit, of the portion of the retirement benefit based on the inclusion of the prior plan creditable service and earnable compensation with service earned under The Plan.
  - (2) **Manner of Payment.** The payment must be made to the Retirement System consistent with Chapter 406 (94-411 CMR 406) of the rules of the Board.
- L. **Back contributions for certain days off without pay.** A member who elects under 5 M.R.S. §18305-C to include compensation that would have been paid for days off without pay in order to include those earnings in the calculation of the member's average final compensation as provided in 5 M.R.S. §17001, sub-§4, paragraph A, may do so under the following terms and conditions:
- (1) **Election.** If the retirement system determines at the time a member retires that the member's benefit would be increased as a result of the inclusion of compensation that would have been paid for days off without pay, the retirement system shall advise the member of that result and shall allow the member to elect to have that compensation included in the calculation of the member's benefit and to make payments as set forth in subsection 2.
  - (2) **Payment.** The amount that a member who makes the election permitted in subsection 1 must pay is the amount equal to the employee contribution that member would have made on compensation that would have been paid to that member on the days off without pay, plus interest at the same rate as that required for repayment of withdrawn contributions pursuant to section 18304. If the member elects to make the payment, the retirement system shall withhold the required amount from the member's first retirement benefit check.
  - (3) **Benefit calculation.** If a member fails to make the election within 31 days of the notification provided under subsection 1, the retirement system shall calculate the member's retirement benefit without inclusion of the compensation that would have been paid for the days off without pay.
- M. **Law enforcement service before becoming a member.** A member who qualifies under Section 6, subsection 10 must make contributions into the Members' Contribution Fund for the period of law enforcement service under the following terms and conditions:
- (1) Before any retirement benefit becomes effective for that member, the member must pay into the Members' Contribution Fund an amount that, together with regular interest on that amount, is the actuarial equivalent, at the effective date of the retirement benefit, of the portion of the retirement benefit based on the inclusion of the prior law enforcement service credit with service earned under The Plan.

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- (2) **Manner of Payment.** The payment must be made to the Retirement System consistent with Chapter 406 (94-411 CMR 406) of the rules of the Board.
2. **Employer Contributions.** Contributions by participating local districts whose employees are members under The Plan are subject to 5 M.R.S. §18303, except that contributions and pickup contributions are to be calculated according to Sections 7, 8, and 9, and the following:
- A. **Unpooled Unfunded Actuarial Liability Contribution.** Each participating local district with employees who are members under The Plan shall make a contribution known as the "Unpooled Unfunded Actuarial Liability Contribution" based upon:
- (1) its Initial Unpooled Unfunded Actuarial Liability, which is the excess of projected liabilities allocated to future benefit payments to current recipients of benefits and to current members as of the date its employees begin participation under The Plan over the sum of the participating local district's assets on hand as of that date and its future employer and member normal contributions. The rate for this portion of Unpooled Unfunded Actuarial Liability Contribution shall be determined by a valuation made by the System's actuary for each participating local district with employees who are members under The Plan; and
  - (2) any adjustments to the Initial Unpooled Unfunded Actuarial Liability attributable to that district separately. The rate for this portion of the Unpooled Unfunded Actuarial Liability Contribution shall be added to or subtracted from the rate determined under a.
  - (3) if the calculation required by (1) or (2) above results in a credit balance, the balance may, at the discretion of the participating local district, be applied as an offset against the monthly contribution required in an amount no greater than the total amount of the monthly contribution against which the offset is applied.
- B. **Normal Contribution.** Each participating local district with employees who are members under The Plan, along with those members pursuant to Sections 7, 8, and 9, shall make a contribution known as a "Normal Contribution" based upon the portion of projected liabilities attributable to service of all members under the several benefit plans under The Plan for the year following the valuation. The rate of this contribution shall be determined annually by a valuation made by the System's actuary based upon the membership data relating to all members under each benefit plan under The Plan and in accordance with Sections 7, 8, and 9.
- C. **Pooled Unfunded Actuarial Liability Contribution.** Each participating local district with employees who are members under The Plan, along with those members pursuant to Sections 7, 8, and 9, shall make a contribution known as the "Pooled Unfunded Actuarial Liability Contribution" based upon the Pooled Unfunded Actuarial Liability. This liability is equal to the present value of all projected benefits for current and future members, including employer contributions related to military service credit under The Plan, less the present value of future member and employer normal contributions, the assets of The Plan and the present value of all Unpooled Unfunded Actuarial Liability contributions. This rate of this contribution shall be determined annually in accordance with Sections 7, 8, and 9.

- D. **Disability Benefit Contribution.** Each participating local district with employees who are members under The Plan shall make a contribution known as a "disability benefit contribution" based upon the expected value of future disability benefits to be paid to those employees, and to employees who are participants in the defined contribution 401(a) plan under this chapter but who are not members under The Plan, as a result of disablements occurring during the year following the valuation date. The rate of this contribution shall be determined annually by a valuation made by the System's actuary based upon the membership data relating to all members under each benefit plan under The Plan and participants in the defined contribution 401(a) plan under this chapter who are not members under The Plan.
- E. **Death Benefit Contribution.** Each participating local district with employees who are members under The Plan shall make a contribution known as a "death benefit contribution" based upon the expected value of future death benefits to be paid to beneficiaries of those employees and to beneficiaries of employees who are participants in the defined contribution plan under this chapter as a result of deaths occurring during the year following the valuation date. The rate of this contribution shall be determined annually by a valuation made by the System's actuary based upon the membership data relating to all members under each benefit plan under The Plan and participants in the defined contribution plan under this chapter.

## SECTION 6. CREDITABLE SERVICE

1. **Determination of Service Credits.** The determination of service credits for members under The Plan is subject to Chapter 401 (94-411 CMR 401) of the rules of the Board.
2. **Prior Service; Service Before Effective Date of District's Participation.** Service credit for service as an employee of a local district before the beginning date of the participation of the employees of a participating local district in the Retirement System shall be granted upon certification by the district, subject to limitations in the district's agreement as provided by Section 2, subsection 2, paragraph D and statutes and rules in effect at the time the service was rendered.
3. **Former Member**
  - A. **Member who Terminated Service.** Upon complete payment of the withdrawn contributions under Section 5, subsection 1, paragraph B, a member shall be granted service credit for the period of time for which the contributions have been repaid. Upon making partial payment of the withdrawn contributions under Section 5, the member shall be granted service credit on a pro rata basis in accordance with rules adopted by the Board.
  - B. **Service Not under The Plan.** Upon complete payment of the contributions under Section 5, subsection 1, paragraph C, a member shall be granted service credit for the period of time for which the contributions have been paid. Upon making partial payment of the contributions under Section 5, the member shall be granted service credit on a pro rata basis in accordance with rules adopted by the Board.
  - C. **Contributions Withdrawn by Employees Not Covered by Social Security.** The granting of creditable service upon repayment of contributions, under section 5, subsection 1, paragraph E, that were withdrawn by a member who is an employee of a participating local district that is not covered under a Social Security Section 218

agreement but that has a plan that meets the requirements of 5 M.R.S. §18252-B is subject to the provisions of 5 M.R.S. §18252-A as amended by PL 2021, c. 90.

4. **Service in the Armed Forces.** Service credit for service in the Armed Forces of the United States is governed as follows:
  - A. **Service after Becoming a Member.** A member is entitled to service credit for the period of time during which the member's membership is continued under Section 3, subsection 5 under the following terms and conditions. Except as provided in subparagraph 3, service credit under this subsection is limited to 5 years.
    - (1) A member's separation from service in the Armed Forces of the United States must be under conditions other than dishonorable.
    - (2) A member is not entitled to service credit for military leave if the member's return to membership service is delayed beyond 90 days after separation from the service in the Armed Forces, unless the delay is caused by an illness or disability incurred in the service in the Armed Forces.
    - (3) A member may not receive service credit for military leave beyond the end of the period of first enlistment or induction or beyond 5 years from the date of original call to active duty in the Armed Forces, whichever is less, unless:
      - (a) The member's return to active duty in the Armed Forces or the extension of the period of service beyond 5 years is required by some mandatory provision; and
      - (b) The member presents proof of the return to or extension of service satisfactory to the Board.
  - B. **Service before Becoming a Member.** A member who served as a full-time active duty member of the Armed Forces of the United States before becoming a member of the Retirement System is entitled to service credit for the period of time the member served in the Armed Forces, under the following terms and conditions. Service credit under this subsection is limited to 4 years.
    - (1) Except as provided in paragraph 6, on the date of retirement, the member must have at least 15 years of creditable service.
    - (2) The member must have separated from the Armed Forces under conditions other than dishonorable.
    - (3) Except as provided in subparagraph 4, the member must have begun membership before January 1, 1976.
    - (4) Except as provided in paragraph 6, a member who served in the Armed Forces during any federally recognized period of conflict, as defined in 5 M.R.S. §18360(2)(E), is entitled to service credit under this paragraph.
    - (5) Upon complete payment of the back contributions under Section 5, subsection 1, paragraph F, the member shall be granted service credit for the period of time for which the contributions have been made. Upon making partial payment of the back contributions under Section 5, the member shall



be granted service credit on a pro rata basis in accordance with rules adopted by the board.

- (6) **Alternative.** A member who fails to meet one or more of the terms and conditions required under paragraphs 1, 3 and 4 may purchase service credit as provided in this paragraph. The member must have at least 5 years of creditable service and, before any retirement benefit becomes effective for that member, must pay into the Members' Contribution Fund, an amount that, together with regular interest on that amount, is the actuarial equivalent, at the effective date of the retirement benefit, of the portion of the retirement benefit based on the additional creditable service. Any member who purchases service credit under this paragraph who subsequently, without inclusion of the purchased service credit and prior to retirement, meets the terms and conditions of paragraphs 1, 2 and 4 is entitled to purchase the service credit under Section 5, subsection 1, paragraph F and to receive a refund of the amount paid under this paragraph that exceeds the cost to purchase the service under Section 5.
5. **Out-of-state Service.** For members who began membership before January 1, 1976, additional service credit shall be allowed for out-of-state service, subject to the following conditions.
- A. **20 Years of Creditable Service.** The member must have creditable service in the Retirement System of at least 20 years in the aggregate;
- B. **Last 10 Years in Maine; 10 Year Limit.** The member's last 10 years of creditable service before the date of retirement must be in the State and no more than 10 years of service credit may be allowed for out-of-state service; and
- C. **Payment of Contributions.** Upon complete payment of the back contributions under Section 5, subsection 1, paragraph H, subparagraph 2, the member shall be granted service credit for the period of time for which the contributions have been made. Upon making partial payment of the back contributions under Section 5, subsection 1, paragraph H, subparagraph 2, the member shall be granted service credit on a pro rata basis in accordance with rules adopted by the board.
- D. **Alternative.** If service credit for out-of-state service is not allowed under paragraph A and B, service credit for out-of-state service shall be allowed if the member, before any retirement benefit becomes effective for that member, pays into the Members' Contribution Fund, an amount that, together with regular interest on that amount, is the actuarial equivalent, at the effective date of the retirement benefit, of the portion of the retirement benefit based on the additional creditable service. Payments must be made consistent with Chapter 406 (94-411 CMR 406) of the rules of the Board.
- (1) Additional amounts paid under this subsection shall become a part of the member's accumulated contributions.
- (2) If any retirement benefit becomes effective before the completion of the payment under this subsection, the member is entitled to service credit for that portion of the additional creditable service that the total amount of payments actually made, plus regular interest on those payments to the date the retirement benefit becomes effective, bears to the actuarial

equivalent of the total portion of the retirement benefit based on the additional creditable service.

- E. **Service Credit not to be Used in Another State.** Any application for a retirement benefit for which out-of-state service credit is to be granted must be accompanied by a certified statement from the appropriate retirement system that the out-of-state service credit granted has not been or will not be used to obtain benefits in another state.
6. **Disability Retirement Service Credit.** A recipient of a disability retirement benefit shall receive service credit for the purpose of determining benefits under The Plan for the period of time following termination of service during which disability retirement benefits are being received under 5 M.R.S. Chapter 425, subchapter V, article 3-A.
7. **Unused Sick Leave or Vacation Leave**
- A. **Earnable Compensation.** A member's earnable compensation does not include payment for unused accumulated or accrued sick leave, unused vacation time, or a combination of both, or any other payment that is not compensation for actual services rendered or that is not paid at the time the actual services are rendered, except that for a member with at least 20 years of creditable service under The Plan at the effective date of the member's retirement, and for a recipient of a disability retirement benefit, earnable compensation includes payment for unused accumulated or accrued sick leave, unused vacation time, or a combination of both, up to a maximum of 30 days, if paid upon the member's last termination before the member applies for retirement benefits.
- B. **Service Credit.** A member may not receive service credit for unused accumulated or accrued sick leave, unused vacation leave, or a combination of both, for which a member is credited on termination of service, but for which the member does not receive payment, except under the following conditions.
- (1) Leave, up to a lifetime maximum of 90 days, qualifies for service credit for a member with at least 20 years of creditable service under The Plan, before the application of this sub-paragraph, at the effective date of the member's retirement.
  - (2) Leave, up to a lifetime maximum of 90 days, qualifies for service credit for a recipient of a disability retirement benefit, at the effective date of the member's disability retirement.
  - (3) Leave, including leave beyond 90 days, may qualify for service credit, up to the maximum number of days of leave, set by personnel rules or by contract, that a person is allowed to accumulate, if, the member, before any retirement benefit becomes effective for the member, pays into the Members' Contribution Fund, a single payment which is the actuarial equivalent, at the effective date of the member's retirement benefit, of the portion of the member's retirement benefit based on the additional creditable service beyond 90 days.
8. **Teachers in Private, Parochial and Other Schools.** A member who taught in a parochial school or in a public or private academy may purchase up to 10 years of service credit for that service under the following conditions.

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- A. The member must have taught in a school approved by the Department of Education or the education department of another state while holding an appropriate teaching certificate;
- B. **20 Years of Creditable Service.** The member must have 20 years of creditable service as a member of the participating local district;
- C. **Membership before January 1, 1976.** The member must have begun membership before January 1, 1976;
- D. **Last 10 Years in Participating Local District.** The member's last 10 years of creditable service before the date of retirement must be as a member of the participating local district; and
- E. **Payment of Contributions.** Upon complete payment of the back contributions under Section 5, subsection 1, paragraph K, subparagraph 2, the member shall be granted service credit for the period of time for which the contributions have been made. Upon making partial payment of the back contributions under Section 5, subsection 1, paragraph K, subparagraph 2, the member shall be granted service credit on a pro rata basis in accordance with rules adopted by the board.
- F. **Alternative.** If service credit for private, parochial or other school service is not allowed under paragraphs B and C, additional service credit is allowed for any member who meets the requirements of paragraphs A and D, if the member, before any retirement benefit becomes effective for that member, pays into the Members' Contribution Fund an amount that, together with regular interest on that amount, is the actuarial equivalent, at the effective date of the retirement benefit, of the portion of the retirement benefit based on the additional creditable service. Payments must be made consistent with Chapter 406 (94-411 CMR 406) of the rules of the Board.
- (1) Additional amounts paid under this subsection shall become a part of the member's accumulated contributions.
  - (2) If any retirement benefit becomes effective before the completion of the payment under this subsection, the member is entitled to service credit for that portion of the additional creditable service that the total amount of payments actually made, plus regular interest on those payments to the date the retirement benefit becomes effective, bears to the actuarial equivalent of the total portion of the retirement benefit based on the additional creditable service.
9. **Other Schools and Programs.** A member who terminates service in the State and teaches under the Volunteers in Service to America Program, the Fulbright Exchange Program or the Peace Corps, foreign or domestic, or teaches children of United States Foreign Corps personnel outside the continental limits of the United States is entitled to service credit for that service under the following conditions.
- A. **2 Year Limit.** The service credit may not exceed 2 years.
- B. **Return to Active Service.** The member must return to active service as a member of the retirement system within one year of the completion of the teaching outside of the State described in this section.

- C. **Payment of Contributions.** The member, before any retirement benefit becomes effective for that member, must pay into the Members' Contribution Fund an amount that, together with regular interest on that amount, is the actuarial equivalent, at the effective date of the retirement benefit, of the portion of the retirement benefit based on the additional creditable service. Payments must be made consistent with Chapter 406 (94-411 CMR 406) of the rules of the Board.
10. **Law enforcement service before becoming a member.** A member who served as a full-time law enforcement officer with a federal, state, county or local law enforcement agency before becoming a member, and who did not decline membership under section 3, subsection 2, during the period of prior law enforcement service, is entitled under this subsection to purchase service credit for the period of time that the member served as a law enforcement officer under the following conditions:
- A. **15 years of creditable service.** The member must have at least 15 years of creditable service at the time of retirement.
- B. **4 year limit.** Service credit purchased under this subsection is limited to 4 years.
- C. **Service credit not to be used for other benefits.** The member must provide a certified statement from the appropriate retirement system that the service credit to be granted has not been and will not be used to obtain other retirement benefits.
- D. **Payment of contributions.** The member must complete payment of contributions as required by Section 5, subsection 1, paragraph M.
- (1) Additional amounts paid under this subsection shall become a part of the member's accumulated contributions.
- (2) If any retirement benefit becomes effective before the completion of the payment under this subsection, the member is entitled to service credit for that portion of the additional creditable service that the total amount of payments actually made, plus regular interest on those payments to the date the retirement benefit becomes effective, bears to the actuarial equivalent of the total portion of the retirement benefit based on the additional creditable service.

## SECTION 7. REGULAR SERVICE RETIREMENT BENEFIT PLANS

Payment of benefits to members under The Plan is subject to the provisions of 5 M.R.S. §§ 18403 – 18405-A, 18409 - 18413.

1. **Regular Benefit Plan AC.** Regular Benefit Plan AC may be elected by any participating local district or local district.
- A. **Contribution Rate.** Subject to Section ~~4415~~, subsection 1, and the rate caps under Section 9, employer and employee contributions shall be set annually by the Board based on the recommendations of the System's actuary in accordance with the following:
- (1) The Plan's unfunded actuarial liability as of June 30, 2018, shall be paid in an actuarially sound manner and allocated between the employer and

employee in a ratio approved by the Board based on the recommendation of the Participating Local District Advisory Committee;

- (2) Any Plan unfunded actuarial liability created beginning July 1, 2018, shall be paid through employer and employee contributions allocated 58% to the employer and 42% to the employee;
- (3) The normal cost shall be paid through employer and employee contributions allocated 58% to the employer and 42% to the employee.; and
- (4) Rates shall reflect any differences in actuarial assumptions and experience and shall be based on whether the member is subject to paragraphs B or B-1.

**B. Qualification for Benefit Prior to July 1, 2014.** A member of The Plan prior to July 1, 2014 qualifies for a service retirement benefit under this paragraph when one of the following occurs:

- (1) The member is in service when reaching 60 years of age, or is in service after reaching 60 years of age, and has been in service for a minimum of one-year immediately before retirement or except as provided in sub-paragraph 4 has at least 10 years of creditable service, which may include creditable service as a member of the Legislative Retirement Program under 3 M.R.S. §701, sub-§8;
- (2) The member is not in service when reaching 60 years of age, and except as provided in sub-paragraph 4 has at least 10 years of creditable service, which may include creditable service as a member of the Legislative Retirement Program under 3 M.R.S. §701, sub-§8; or
- (3) The member has completed 25 or more years of creditable service, which may include, for the purpose of meeting eligibility requirements, creditable service as a member of the Legislative Retirement Program under 3 M.R.S. §701, sub-§8.
- (4) The member has at least 5 years of creditable service, which, for the purpose of determining completion of the 5-year requirement, may include creditable service as a member of the Legislative Retirement Program, and:
  - (a) Was in service on October 1, 1999;
  - (b) Had left prior to October 1, 1999 with or without withdrawing contributions and on or after October 1, 1999 returned to service; or
  - (c) Was first in service on or after October 1, 1999.

**B-1. Qualification for Benefit after July 1, 2014.** A member who was not covered by The Plan prior to July 1, 2014 qualifies for a service retirement benefit under this paragraph when one of the following occurs:

- (1) The member is in service when reaching 65 years of age, or is in service after reaching 65 years of age, and has been in service for a minimum of one year immediately before retirement or has at least 5 years of creditable

service, which may include creditable service as a member of the Legislative Retirement Program under 3 M.R.S. §701, sub-§8;

- (2) The member is not in service when reaching 65 years of age and has at least 5 years of creditable service, which may include creditable service as a member of the Legislative Retirement Program under 3 M.R.S. §701, sub-§8; or
- (3) The member has completed 25 or more years of creditable service, which may include, for the purpose of meeting eligibility requirements, creditable service as a member of the Legislative Retirement Program under 3 M.R.S. §701, sub-§8.

C. **Computation of Benefit - Retirement at Normal Retirement Age or Later.**

Subject to the requirements of Section 4, subsection 6, the total amount of the service retirement benefit for a member qualified under paragraph B, subparagraphs 1, 2 or 4 or under paragraph B-1, equals:

- (1)  $1/50$  of the member's average final compensation multiplied by the number of years of creditable service under The Plan; and
- (2) If the member had creditable service, with the member's current employer before that employer's employees were under The Plan, the benefit for that creditable service is calculated on the basis of:
  - (a)  $1/50$  of the member's average final compensation multiplied by the number of years of creditable service, if, before being under The Plan, the service retirement benefit for that employer's employees was based upon the  $1/50$  formula;
  - (b)  $1/60$  of the member's average final compensation multiplied by the number of years of creditable service, if, before being under The Plan, the service retirement benefit for that employer's employees was based upon the  $1/60$  formula;
  - (c)  $1/70$  of the member's average final compensation multiplied by the number of years of creditable service, if, before being under The Plan, the service retirement benefit for that employer's employees was based upon the  $1/70$  formula;
- (3) If the member had creditable service with an employer other than the member's current employer before becoming a member under The Plan for which the member's current employer has not accepted liability, and for which the member has not made the election under 5 M.R.S. §18253, sub-§1, paragraph E, the benefit for that creditable service is calculated on the basis of creditable service and earnable compensation with the previous employer and in accordance with the previous employer's regular service retirement plan immediately before the previous employer's employees became members under The Plan or the previous employer withdrew from the System. If the previous employer has neither begun participation in The Plan nor withdrawn from the System, the benefit is calculated on the basis of the previous employer's plan at the time of the member's retirement.

- (4) If the member has prior service credit, the benefit for that service is calculated on the basis of the applicable formula of paragraph C (2) above, as adopted by the district for prior service credit.

D. **Computation of Benefit - Retirement before Normal Retirement Age - With Creditable Service of 25 Years or More.** Subject to the requirements of Section 4, subsections 5 and 6, the amount of the service retirement benefit for a member who retires prior to normal retirement age shall be computed as follows:

- (1) The amount of the service retirement benefit for a member qualified under paragraph B, subparagraph 3, who has 20 or more years of creditable service under The Plan as of July 1, 2019, shall be computed in accordance with paragraph C, except that:
- (a) The amount arrived at under paragraph C shall be reduced by applying to that amount the percentage that a life annuity due at age 60 bears to the life annuity due at the age of retirement.
- (b) For the purpose of making the computation under division a, the Board-approved tables of annuities in effect at the date of the member's retirement shall be used.
- (2) The amount of the service retirement benefit for a member qualified under paragraph B-1, subparagraph 3, who, pursuant to Title 5, Section 18253, has 20 or more years of creditable service under The Plan as of July 1, 2019, shall be computed in accordance with paragraph C, except that the benefit is reduced by 6% for each year that the member's age precedes 65 years of age.
- (3) The amount of the service retirement benefit for all other members shall be computed in accordance with paragraph C, except that the amount arrived at under paragraph C shall be reduced to reflect the full actuarial impact of the early retirement. At the election of the member, any cost of living adjustments pursuant to Section 9 shall not be applied until the member has reached age 60, for a member to whom paragraph B applies, or age 65, for a member to whom paragraph B-1 applies, and the actuarial impact shall reflect this election.

E. **Cost of Living Adjustments.** Subject to paragraph D, subparagraph 2, all benefits based upon creditable service under this service retirement benefit plan are subject to cost of living adjustments as provided by Section 9. Benefits based upon creditable service earned before a member was under The Plan will be subject to cost of living adjustments only if the employer's plan provided for cost of living adjustments.

2. **Regular Benefit Plan AN.** Regular Benefit Plan AN may be elected by any participating local district or local district.

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

3. **Regular Benefit Plan BC.** Regular Benefit Plan BC may be elected by any participating local district or local district which covers its employees under the Federal Social Security program under a Section 218 Agreement. Any current employee who was a member under a plan which provided benefits under the 1/50 or 1/60 formula with a cost of living adjustment may elect to

be under Regular Benefit Plan A and any current employee who was under a plan which provided benefits under the 1/50 or 1/60 or 1/70 formula without cost of living adjustments may elect to be under Regular Benefit Plan AN. Regular Benefit Plans AC and AN require that members make contributions at the rate as set forth in subsections 1 and 2. For the purposes of this subsection, "current employee" means a person whose employment with a participating local district began prior to the date on which participation in The Plan for that district's employees begins and who is a member as an employee of that district on that date.

- A. **Contribution Rate.** Employer and employee contribution rates are set in the same manner and subject to the same requirements as Regular Benefit Plan AC.
- B. **Qualification for Benefit.** The requirements for a member to qualify for a service retirement benefit under this paragraph are exactly the same as under Regular Benefit Plan AC - subsection 1, paragraphs B and B-1.
- C. **Computation of Benefit - Retirement at Normal Retirement Age or Later.** Subject to the requirements of Section 4, subsection 6, the total amount of the service retirement benefit for a member qualified as specified in subsection 1, paragraph B, subparagraph 1, 2 or 4 or under subsection 1, paragraph B-1 equals:
  - (1) 1/100 of the member's average final compensation multiplied by the number of years of membership service under The Plan; and
  - (2) If the member had creditable service, with the member's current employer before that employer's employees were under The Plan, the benefit for that creditable service is calculated on the basis of:
    - (a) 1/50 of the member's average final compensation multiplied by the number of years of creditable service, if, before being under The Plan, the service retirement benefit for that employer's employees was based upon the 1/50 formula;
    - (b) 1/60 of the member's average final compensation multiplied by the number of years of creditable service, if, before being under The Plan, the service retirement benefit for that employer's employees was based upon the 1/60 formula;
    - (c) 1/70 of the member's average final compensation multiplied by the number of years of creditable service, if, before being under The Plan, the service retirement benefit for that employer's employees was based upon the 1/70 formula;
  - (3) If the member had creditable service with an employer other than the member's current employer before becoming a member under The Plan for which the member's current employer has not accepted liability, and for which the member has not made the election under 5 M.R.S. §18253, sub-§1, paragraph E, the benefit for that creditable service is calculated on the basis of creditable service and earnable compensation with the previous employer and in accordance with the previous employer's regular service retirement plan immediately before the previous employer's employees became members under The Plan or the previous employer withdrew from the System. If the previous employer has neither begun participation in The



Plan nor withdrawn from the System, the benefit is calculated on the basis of the previous employer's plan at the time of the member's retirement.

- (4) If the member has prior service credit, the benefit for that service is calculated on the basis of the applicable formula of paragraph C (2) above, as adopted by the district for prior service credit.

D. **Computation of Benefit - Retirement before Normal Retirement Age - With Creditable Service of 25 Years or More.** Subject to the requirements of Section 4, subsections 5 and 6, the amount of the service retirement benefit for a member who retires prior to normal retirement age shall be computed as follows:

- (1) The amount of the service retirement benefit for a member qualified as specified in subsection 1, paragraph B, subparagraph 3, who has 20 or more years of creditable service under The Plan as of July 1, 2019, shall be computed in accordance with paragraph C, except that:
- (a) The amount arrived at under paragraph C shall be reduced by applying to that amount the percentage that a life annuity due at age 60 bears to the life annuity due at the age of retirement.
- (b) For the purpose of making the computation under subparagraph 1, the board-approved tables of annuities in effect at the date of the member's retirement shall be used.
- (2) The amount of the service retirement benefit for a member qualified under subsection 1, paragraph B-1, subparagraph 3, who, pursuant to Title 5, Section 18253, has 20 or more years of creditable service under The Plan as of July 1, 2019, shall be computed in accordance with subsection 1, paragraph C, except that the benefit is reduced by 6% for each year that the member's age precedes 65 years of age.
- (3) The amount of the service retirement benefit for all other members shall be computed in accordance with paragraph C, except that the amount arrived at under Paragraph C shall be reduced to reflect the full actuarial impact of the early retirement. At the election of the member, any cost of living adjustments pursuant to Section 9 shall not be applied until the member has reached age 60, for a member to whom subsection 1, paragraph B applies, or age 65, for a member to whom subsection 1, paragraph B-1 applies, and the actuarial impact shall reflect this election.

E. **Cost of Living Adjustments.** Subject to paragraph D, subparagraph 2, all benefits based upon creditable service under this service retirement benefit plan are subject to cost of living adjustments as provided by Section 9. Benefits based upon creditable service earned before a member was under The Plan will be subject to cost of living adjustments only if the employer's plan provided for cost of living adjustments.

4. **Minimum Benefit.** Any member under The Plan who has 10 or more years of creditable service at retirement is entitled to a minimum service retirement benefit of \$100 per month.

## SECTION 8. SPECIAL SERVICE RETIREMENT BENEFIT PLANS

Payment of benefits to members under The Plan is subject to the provisions of 5 M.R.S. §§ 18403 – 18405-A, 18409-18413. If, upon electing to participate in The Plan, a participating local district elects a special benefit plan other than the special benefit plan that a member is then covered under, the member may elect to continue under the special benefit plan under which the member is then covered. The member's election must be made as of the date on which the district's participation in The Plan begins and may not be changed thereafter. Members having membership service under special plans prior to July 1, 1977, are entitled to the alternative benefit computation based on that service in accordance with the applicable provision of 5 M.R.S. §18453. A member who does not qualify to retire under a special service retirement plan may retire under a regular service retirement plan at any time after the member qualifies under Section 7. The service retirement benefit for all service is computed as provided in Section 7.

1. **Special Benefit Plan 1C.** Special Benefit Plan 1C may be elected by any participating local district or local district for police officers, firefighters, sheriffs, full-time deputy sheriffs, county corrections employees who are employed at a county jail and whose duties include contact with prisoners or juvenile detainees, and emergency medical services persons as defined in Title 32 M.R.S. §83, sub-§12, including but not limited to first responders, emergency medical technicians, advanced emergency medical technicians and paramedics.
  - A. **Contribution Rate.** Subject to Section ~~4415~~, subsection 1, and to the rate caps under Section 9, employer and employee contributions shall be set annually by the Board based on the recommendations of the System's actuary in accordance with the following:
    - (1) The Plan's unfunded actuarial liability as of June 30, 2018, shall be paid in an actuarially sound manner and allocated between the employer and employee in a ratio approved by the Board based on the recommendation of the Participating Local District Advisory Committee;
    - (2) Any Plan unfunded actuarial liability created beginning July 1, 2018, shall be paid through employer and employee contributions allocated 58% to the employer and 42% to the employee; and
    - (3) The normal cost shall be paid through employer and employee contributions allocated 58% to the employer and 42% to the employee.
  - B. **Qualification for Benefit**
    - (1) A member qualifies for a service retirement benefit under this subsection when the member has completed 20 years of creditable service as an employee in one or more of the types of employment specified in this subsection and specified by the district as covered under this plan. If the member had creditable service under a special plan with the member's current employer before that employer's employees became members under The Plan, that creditable service is counted when determining the member's qualification for this benefit;
    - (2) A member who has accrued service credits under a regular service retirement plan before accruing service under this plan, and for whom the regular plan service credits are considered service under The Plan as provided by Section 4, subsection 1, may use those service credits toward

qualifying to retire under this plan at the rate of one year of special plan service credit for each two years of regular plan service credit; and

- (3) Except for employees who are entitled, under the current employer's plan in effect before the employer's employees become members under The Plan, to use military service credits to qualify for service retirement benefits, service credits for service in the Armed Forces before becoming a member, under Section 6, subsection 4, paragraph B, apply only to additional retirement benefits under this plan and the service credits do not apply to service requirements to qualify for retirement benefits.
- (4) Service credits for law enforcement service before becoming a member, under Section 6, subsection 10, apply only to additional retirement benefits under this plan and the service credits do not apply to service requirements to qualify for retirement benefits.

C. **Computation of Benefit.** Subject to the requirements of Section 4, subsections 5 and 6, the total amount of the service retirement benefit for a member qualified under paragraph B, equals 1/2 of the member's average final compensation and, subject to the limitations of subsection J, an additional 2% of the member's average final compensation for each year of creditable service not included in determining qualification under paragraph B.

- (1) If the member had creditable service under a special plan, with the member's current employer, before that employer's employees became members under The Plan, that creditable service is used when calculating the benefit under this paragraph.
- (2) If the member had creditable service with an employer other than the member's current employer before becoming a member under The Plan for which the member's current employer has not accepted liability, and for which the member has not made the election under 5 M.R.S. §18253, sub-§1, paragraph E, the benefit for that creditable service is calculated on the basis of creditable service and earnable compensation with the previous employer and in accordance with the previous employer's regular service retirement plan immediately before the previous employer's employees became members under The Plan or the previous employer withdrew from the System. If the previous employer has neither begun participation in The Plan nor withdrawn from the System, the benefit is calculated on the basis of the previous employer's plan at the time of the member's retirement.

D. **Cost of Living Adjustments.** All benefits based upon creditable service under this service retirement benefit plan are subject to cost of living adjustments as provided by Section 9. Benefits based upon creditable service earned before a member was under The Plan will be subject to cost of living adjustments only if the employer's plan provided for cost of living adjustments.

2. **Special Benefit Plan 1N.** Special Benefit Plan 1N may be elected by any participating local district or local district.

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

3. **Special Benefit Plan 2C.** Special Benefit Plan 2C may be elected by any participating local district or local district for police officers, firefighters, sheriffs, full-time deputy sheriffs, county corrections employees who are employed at a county jail and whose duties include contact with prisoners or juvenile detainees, emergency medical services persons as defined in Title 32 M.R.S. §83, sub-§12, including but not limited to first responders, emergency medical technicians, advanced emergency medical technicians and paramedics, and dispatchers as defined in 5 M.R.S. §18313, sub-§1. A district may also elect this plan for all of its employees.
  - A. **Contribution Rate.** Subject to Section 415, subsection 1, and to the rate caps under Section 9, employer and employee contributions shall be set annually by the Board based on the recommendations of the System's actuary in accordance with the following:
    - (1) The Plan's unfunded actuarial liability as of June 30, 2018, shall be paid in an actuarially sound manner and allocated between the employer and employee in a ratio approved by the Board based on the recommendation of the Participating Local District Advisory Committee;
    - (2) Any Plan unfunded actuarial liability created beginning July 1, 2018, shall be paid through employer and employee contributions allocated 58% to the employer and 42% to the employee; and
    - (3) The normal cost shall be paid through employer and employee contributions allocated 58% to the employer and 42% to the employee.
  - B. **Qualification for Benefit**
    - (1) A member qualifies for a service retirement benefit under this subsection when the member has completed 25 years of creditable service as an employee in one or more of the types of employment specified in this subsection and specified by the district as covered under this plan. If the member had creditable service under a special plan with the member's current employer before that employer's employees became members under The Plan, that creditable service is counted when determining the member's qualification for this benefit; and
    - (2) A member who has accrued service credits under a regular service retirement plan before accruing service under this plan, and for whom the regular plan service credits are considered service under The Plan as provided by Section 4, subsection 1, may use those service credits toward qualifying to retire under this plan at the rate of two years of special plan service credit for each three years of regular plan service credit.
  - C. **Computation of Benefit.** Subject to the requirements of Section 4, subsections 5 and 6, the total amount of the service retirement benefit for a member qualified under paragraph 2, equals 1/2 of the member's average final compensation and, subject to the limitations of subsection J, an additional 2% of the member's average final compensation for each year of creditable service not included in determining qualification under paragraph B.
    - (1) If the member had creditable service (1) under a special plan, with the member's current employer, before that employer's employees became members under

The Plan, that creditable service is used when calculating the benefit under this paragraph.

- (2) If the member had creditable service with an employer other than the member's current employer before becoming a member under The Plan for which the member's current employer has not accepted liability, and for which the member has not made the election under 5 M.R.S. §18253, sub-§1, paragraph E, the benefit for that creditable service is calculated on the basis of creditable service and earnable compensation with the previous employer and in accordance with the previous employer's regular service retirement plan immediately before the previous employer's employees became members under The Plan or the previous employer withdrew from the System. If the previous employer has neither begun participation in The Plan nor withdrawn from the System, the benefit is calculated on the basis of the previous employer's plan at the time of the member's retirement.

D. **Cost of Living Adjustments.** All benefits based upon creditable service under this service retirement benefit plan are subject to cost of living adjustments as provided by Section 9. Benefits based upon creditable service earned before a member was under The Plan will be subject to cost of living adjustments only if the employer's plan provided for cost of living adjustments.

4. **Special Benefit Plan 2N.** Special Benefit Plan 2N may be elected by any participating local district or local district.

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

5. **Special Benefit Plan 3C.** Special Benefit Plan 3C may be elected by any participating local district or local district for police officers, firefighters, sheriffs, full-time deputy sheriffs, county corrections employees who are employed at a county jail and whose duties include contact with prisoners or juvenile detainees, emergency medical services persons as defined in Title 32 M.R.S. §83, sub-§12, including but not limited to first responders, emergency medical technicians, advanced emergency medical technicians and paramedics, and dispatchers as defined in 5 M.R.S. §18313, sub-§1.

A. **Contribution Rate.** The contribution rate for members under Special Benefit Plan 3C is as set out below until the completion of 25 years of creditable service under this special benefit plan, after which the members contribute at the same rate of earnable compensation as paid by members who contribute under Regular Plan AC as set forth in Section 7, subsection 1, paragraph A. Subject to Section ~~415~~, subsection 1, and to the rate caps under Section 9, employer and employee contributions shall be set annually by the Board based on the recommendations of the System's actuary in accordance with the following:

- (1) The Plan's unfunded actuarial liability as of June 30, 2018, shall be paid in an actuarially sound manner and allocated between the employer and employee in a ratio approved by the Board based on the recommendation of the Participating Local District Advisory Committee;
- (2) Any Plan unfunded actuarial liability created beginning July 1, 2018, shall be paid through employer and employee contributions allocated 58% to the employer and 42% to the employee; and

- (3) The normal cost shall be paid through employer and employee contributions allocated 58% to the employer and 42% to the employee.

**B. Qualification for Benefit**

- (1) A member qualifies for a service retirement benefit under this subsection when the member has completed 25 years of creditable service as an employee in one or more of the types of employment specified in this subsection and specified by the district as covered under this plan. If the member had creditable service under a special plan with the member's current employer before that employer's employees became members under The Plan, that creditable service is counted when determining the member's qualification for this benefit; and
- (2) A member who has accrued service credits under a regular service retirement plan before accruing service under this plan, and for whom the regular plan service credits are considered service under The Plan as provided by Section 4, subsection 1, may use those service credits toward qualifying to retire under this plan at the rate of two years of special plan service credit for each three years of regular plan service credit.

**C. Computation of Benefit.** Subject to the requirements of Section 4, subsections 5 and 6, the total amount of the service retirement benefit for a member qualified under paragraph 2, equals  $\frac{2}{3}$  of the member's average final compensation and, subject to the limitations of subsection J, an additional 2% of the member's average final compensation for each year of creditable service not included in determining qualification under paragraph B.

- (1) If the member had creditable service under a special plan, with the member's current employer, before that employer's employees became members under The Plan, that creditable service is used when calculating the benefit under this paragraph.
- (2) If the member had creditable service with an employer other than the member's current employer before becoming a member under The Plan for which the member's current employer has not accepted liability, and for which the member has not made the election under 5 M.R.S. §18253, sub-§1, paragraph E, the benefit for that creditable service is calculated on the basis of creditable service and earnable compensation with the previous employer and in accordance with the previous employer's regular service retirement plan immediately before the previous employer's employees became members under The Plan or the previous employer withdrew from the System. If the previous employer has neither begun participation in The Plan nor withdrawn from the System, the benefit is calculated on the basis of the previous employer's plan at the time of the member's retirement.

**D. Cost of Living Adjustments.** All benefits based upon creditable service under this service retirement benefit plan are subject to cost of living adjustments as provided by Section 9. Benefits based upon creditable service earned before a member was under The Plan will be subject to cost of living adjustments only if the employer's plan provided for cost of living adjustments.

6. **Special Benefit Plan 3N.** Special Benefit Plan 3N may be elected by any participating local district or local district.

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

7. **Special Benefit Plan 4C.** Special Benefit Plan 4C may be elected by any participating local district or local district for police officers, firefighters, sheriffs, full-time deputy sheriffs, county corrections employees who are employed at a county jail and whose duties include contact with prisoners or juvenile detainees, emergency medical services persons as defined in Title 32 M.R.S. §83, sub-§12, including but not limited to first responders, emergency medical technicians, advanced emergency medical technicians and paramedics, and dispatchers as defined in 5 M.R.S. §18313, sub-§1 .

- A. **Contribution Rate.** The contribution rate for members under Special Benefit Plan 4C is as set out below until the completion of 25 years of creditable service under this special benefit plan, after which the members contribute at the same rate of earnable compensation as paid by members who contribute under Regular Plan AC as set forth in Section 7, subsection 1, paragraph A. Subject to Section ~~4415~~, subsection 1, and to the rate caps under Section 9, employer and employee contributions shall be set annually by the Board based on the recommendations of the System's actuary in accordance with the following:

- (1) The Plan's unfunded actuarial liability as of June 30, 2018, shall be paid in an actuarially sound manner and allocated between the employer and employee in a ratio approved by the Board based on the recommendation of the Participating Local District Advisory Committee;
- (2) Any Plan unfunded actuarial liability created beginning July 1, 2018, shall be paid through employer and employee contributions allocated 58% to the employer and 42% to the employee; and
- (3) The normal cost shall be paid through employer and employee contributions allocated 58% to the employer and 42% to the employee.

- B. **Qualification for Benefit**

- (1) A member qualifies for a service retirement benefit under this subsection when the member has completed 25 years of creditable service as an employee in one or more of the types of employment specified in this subsection and specified by the district as covered under this plan. If the member had creditable service under a special plan with the member's current employer before that employer's employees became members under The Plan, that creditable service is counted when determining the member's qualification for this benefit; and
- (2) A member who has accrued service credits under a regular service retirement plan before accruing service under this plan, and for whom the regular plan service credits are considered service under The Plan as provided by Section 4, subsection 1, may use those service credits toward qualifying to retire under this plan at the rate of two years of special plan service credit for each three years of regular plan service credit.

- C. **Computation of Benefit.** Subject to the requirements of Section 4, subsections 5 and 6, the total amount of the service retirement benefit for a member qualified under paragraph B, equals:
- (1) If the member retires after reaching age 55,  $1/50$  of the member's average final compensation multiplied by the number of years of creditable service;
  - (2) If the member retires before reaching age 55,  $1/50$  of the member's average final compensation multiplied by the number of years of creditable service reduced as follows:
    - (a) For a member who was covered by The Plan prior to July 1, 2014, who has 20 or more years of creditable service under The Plan as of July 1, 2019, the benefit is reduced by applying to that amount the percentage that a life annuity due at age 55 bears to the life annuity due at the age of retirement.
    - (b) For a member who was not covered by The Plan prior to July 1, 2014, but who, pursuant to Title 5, Section 18253, has 20 or more years of creditable service under The Plan as of July 1, 2019, the benefit is reduced by 6% for each year that the member's age precedes 55 years of age.
    - (c) For all other members, the benefit is reduced to reflect the full actuarial impact of the early retirement. At the election of the member, any cost of living adjustments pursuant to Section 9 shall not be applied until the member has reached age 55, and the actuarial impact shall reflect this election.
  - (3) If the member had creditable service under a special plan, with the member's current employer, before that employer's employees became members under The Plan, that creditable service is used when calculating the benefit under this paragraph.
  - (4) If the member had creditable service with an employer other than the member's current employer before becoming a member under The Plan for which the member's current employer has not accepted liability, and for which the member has not made the election under 5 M.R.S. §18253, sub-§1, paragraph E, the benefit for that creditable service is calculated on the basis of creditable service and earnable compensation with the previous employer and in accordance with the previous employer's regular service retirement plan immediately before the previous employer's employees became members under The Plan or the previous employer withdrew from the System. If the previous employer has neither begun participation in The Plan nor withdrawn from the System, the benefit is calculated on the basis of the previous employer's plan at the time of the member's retirement.
- D. **Cost of Living Adjustments.** Subject to paragraph C, subparagraph 2, all benefits based upon creditable service under this service retirement benefit plan are subject to cost of living adjustments as provided by Section 9. Benefits based upon creditable service earned before a member was under The Plan will be subject to cost of living adjustments only if the employer's plan provided for cost of living adjustments.



8. **Special Benefit Plan 4N.** Special Benefit Plan 4N may be elected by any participating local district or local district.

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

9. **Transfer from Special Plan Position to Non-Special Plan Position Due to Disability.**

A member who has not completed the service requirements for retirement under a special service retirement benefit plan, upon becoming disabled as defined in section 18521, and upon becoming reemployed in a position not under a special service retirement benefit plan shall upon retirement receive retirement benefits as follows:

- A. The part of the member's service retirement based upon membership service before becoming disabled shall be computed according to the formula for computing benefits under the member's previous special plan.
- B. The part of the member's service retirement based upon membership service after becoming reemployed in a position not under a special plan shall be computed according to the formula for computing benefits under the member's previous special plan.
- C. If the member is found to be no longer disabled, as defined in section 18521, the member may:
  - (1) Return to a position in the member's previous special plan; or
  - (2) Remain in the position which is not under a special plan and have the part of the member's service retirement benefit based upon post-disability service computed in accordance with the applicable regular service retirement benefit plan under Section 7.
- D. The executive director may require that a member subject to this subsection submit records and undergo medical examinations or tests to determine the member's disability for purposes of paragraph C.
  - (1) If the member refuses to submit records or undergo the examination or tests under this paragraph, the member's retirement benefit shall be based upon the applicable regular service retirement benefit plan under Section 7 until the member withdraws the refusal.
  - (2) If the member's refusal under subparagraph 1 continues for one year, all the member's rights to any further benefit under this subsection shall cease.

10. **Additional 2% Benefit.** The additional 2% of average final compensation benefit provided to members under the special service retirement plans in this section is applicable only to service credits earned with relation to service rendered after a member becomes a member under The Plan. A member is also entitled to this benefit for service rendered before becoming a member under The Plan to the extent that the member was entitled to the benefit under the member's current employer's retirement plan that was in effect immediately before the employer's employees became members under The Plan.

## SECTION 9. COST OF LIVING ADJUSTMENTS; CONTRIBUTION CAPS

1. **Cost of Living Adjustments.** Subject to subsections 2 and 3, the cost-of-living adjustment shall be determined as follows.
  - A. Except as provided in subsection 2 and 3, whenever there is a percentage increase in the Consumer Price Index from July 1 of the previous year to June 30 of the current year, the Board shall automatically make an equal percentage increase in retirement benefits, beginning in September, up to a maximum annual increase of 2.5%.
  - B. If there is a percentage decrease in the Consumer Price Index from July 1st to June 30th, the Board shall set the percentage change at 0% for that September. The adjustment for the following year must be set based on the actuarially compounded Consumer Price Index for both years in a cost-neutral manner. If the Consumer Price Index in the subsequent year or years is not sufficient to allow for the adjustment to be cost-neutral for the 2 years, then the adjustment needed for cost-neutrality must continue to be applied to following years until such time as the cost-neutrality requirement is met.
  - ~~C. Whenever the annual percentage increase in the Consumer Price Index from July 1st to June 30th exceeds the maximum annual increase under paragraph A, the Board shall make whatever adjustments in the retirement benefits are necessary to reflect an annual increase of the maximum annual increase and shall report that adjustment, the actual increase in the Consumer Price Index, and any reduction under subsection 2 to the Legislature during the month of February of the following year.~~
  - DC. The Board shall determine the costs of the adjustments under this Section and shall include those costs in the annual valuation.
  - ~~E.D.~~ Cost-of-living adjustments under this Section shall be applied to the retirement benefits of retirees as follows:
    - (1) For retirees who retire prior to September 1, 2019, a cost-of-living adjustment is applied if the retiree has been retired for at least 12 months before the date that the adjustment becomes payable.
    - (2) For retirees who retire on or after September 1, 2019, a cost-of-living adjustment is applied if the retiree has been retired for at least 24 months before the date that the adjustment becomes payable. Beneficiaries of deceased retirees shall be eligible for the cost-of-living adjustment at the same time the deceased retiree would have become eligible.
2. **Contribution Caps.** The employer and employee contribution rates, as calculated in the aggregate across all benefit plans in The Plan, are capped at 12.5% and 9%, respectively. If the rates calculated by the System's actuary would exceed the caps for a particular year, the following shall occur:
  - A. The aggregated employer and employee rates will be reduced to the cap amounts, and the Board will set individual benefit plan rates based on the System's actuary's recommendation for allocating the reductions.
  - B. The cost of living adjustment calculated under subsection 1 shall be reduced to maintain cost-neutrality, but not below zero. If the reduction otherwise would have

been below zero, then an adjustment will be applied to contribution rates, up to the caps set forth in this subsection, and the cost of living adjustment, but not below zero, in following years until such time as cost-neutrality is achieved.

3. Notwithstanding subsection 1, paragraph A, the cost-of-living adjustment for the period from September 1, 2021 through August 31, 2022 shall be 3.5%.

## SECTION 10. DISABILITY BENEFITS

1. **Members of The Plan.** Disability retirement benefits for members under The Plan are subject to 5 M.R.S., Chapter 425, subchapter V, *Benefits*, Article 3-A, *Disability Retirement Benefits After September 30, 1989*, except section 18534.
2. **Election Regarding Age-limit or No-age-limit Disability.** The election made by each member under PL 1991, c. 887 whether to be covered under age-limit or no-age-limit disability remains in effect after a member's participation in The Plan begins. Depending upon a member's election, the member is covered under the age-limit or no-age-limit version of the disability plan specified in this Section.
3. **Current Recipients of Disability Benefits.** After having begun to participate in The Plan, a participating local district which before participating in The Plan did not have as part of its plan 5 M.R.S., Chapter 425, subchapter V, *Benefits*, Article 3-A, *Disability Retirement Benefits After September 30, 1989*, may elect to adopt 5 M.R.S. §18534, thereby allowing its former employees who are recipients of disability retirement benefits under prior law the option of being governed by disability retirement provisions applicable to members under The Plan. Any former employee of a district which adopts §18534 who is a recipient of a disability retirement benefit under 5 M.R.S., Article 3, as in effect immediately before October 1, 1989, or under section 1122 of the former retirement system law, as in effect immediately before July 1, 1977, may elect to be governed by 5 M.R.S., Chapter 425, subchapter V, *Benefits*, Article 3-A, by making written application to the executive director within 6 months after adoption of this provision by the participating local district. If the disability retirement benefit recipient makes the election, Article 3-A shall apply from the date of the recipient's original eligibility for disability retirement, but any increase in benefits may only be granted from the date of election by the recipient. The district's adoption and the recipient's election are irrevocable. The additional liability resulting from the adoption of this provision will be included in the district's Additional Unpooled Unfunded Actuarial Liability.

## SECTION 11. ORDINARY DEATH BENEFITS

Ordinary death benefits for members under The Plan are subject to 5 M.R.S., Chapter 425, subchapter V, *Benefits*, Article 4, *Ordinary Death Benefits*.

## SECTION 12. ACCIDENTAL DEATH BENEFITS

1. **Definitions.** As used in this section, unless the context otherwise indicates, the following terms have the following meanings.
  - A. **Professional firefighter.** "Professional firefighter" means an employee of a municipal fire department who is a member of the Participating Local District Retirement Program or who is a participating member under chapter 425 and who

aids in the extinguishment of fires, whether or not the employee has other administrative duties.

**B. Qualifying member.** “Qualifying member” means:

- (1) A member who dies as a result of an injury arising out of and in the course of employment as an employee;
- (2) After October 31, 2004, an active member who is a professional firefighter who dies as a result of an injury or disease as described in Title 39-A, section 328 if the injury or disease that causes the death is the result of a condition that develops within 30 days of the active member’s participating in firefighting or training or a drill that involves firefighting. If the professional firefighter dies after 30 days but within 6 months of participating in firefighting or training or a drill that involves firefighting, there is a rebuttable presumption that the death is the result of an injury arising out of and in the course of employment as a professional firefighter; or
- (3) A former member receiving a disability retirement benefit who dies as a result of an injury arising out of and in the course of employment as an employee.

2. **Qualification for Benefit.** The beneficiary of a qualifying member shall receive a benefit in accordance with section 18603.

3. **Computation of Benefit.** Benefits under this section are determined as follows:

- A. **Surviving spouse; no dependent children.** If the qualifying member is survived by a spouse and no dependent child, the surviving spouse shall be paid 2/3 of the average final compensation of the qualifying member.
- B. **Surviving spouse having care of dependent children.** If the qualifying member is survived by a spouse who has the care of the dependent child or dependent children of the qualifying member, the surviving spouse shall be paid an annual sum equal to the average final compensation of the qualifying member.
- C. **Surviving spouse not having care of dependent children.** If the qualifying member is survived by a spouse who does not have the care of the dependent child or dependent children of the qualifying member, the surviving spouse shall share with the dependent child or dependent children an annual sum equal to the average final compensation of the qualifying member, the benefit to be divided equally among the surviving spouse and the dependent child or dependent children.
- D. **No surviving spouse.** If no spouse survives the qualifying member, the dependent child or dependent children shall be paid an annual sum equal to the average final compensation of the qualifying member.

4. **Method of Payment.** All benefits paid under this section shall be paid in equal monthly installments beginning the first month after the death of the qualifying member.

5. **Adjustment of Benefits.** Benefits under this section are subject to the following adjustments:

- A. **Cessation of eligibility.** When a person sharing benefits under section 18603 ceases to be eligible to receive benefits, the subsequent benefits of the remaining beneficiaries shall be recalculated as if the remaining beneficiaries had been the only beneficiaries to survive the qualifying member.
  - B. **Workers' compensation or similar law.** The amount payable under this section must be reduced by any amount received by the surviving spouse and dependent child or dependent children under former Title 39, the *Workers' Compensation Act* or Title 39-A, Part 1, the *Maine Workers' Compensation Act of 1992*, or a similar law.
    - (1) Lump-sum settlements of benefits that would reduce the accidental death benefits under this subsection must be prorated on a monthly basis in an equitable manner prescribed by the board.
    - (2) The prorated lump-sum settlement amounts must reduce the accidental death benefits payable monthly under this section.
  - C. **Cost-of-living adjustments.** Benefits under this section are subject to adjustment as provided in section 9.
6. **Termination of Benefits.** The benefits under this section shall be paid to:
- A. **Surviving spouse.** The surviving spouse until the spouse dies; and
  - B. **Dependent children.** The dependent child or dependent children until they die or until they no longer meet the definition of "dependent child" under section 17001, subsection 12.

### SECTION 13. DEFINED CONTRIBUTION/DEFERRED COMPENSATION PLANS

1. **Defined Contribution/Deferred Compensation Plans.** A participating local district may provide for the participation of its employees in a defined contribution and/or deferred compensation plan or plans for which the System is The Plan Sponsor. To provide for its employees' participation, the participating local district employer must comply with the procedure for adoption set out in paragraph 6.
2. **District is Employer.** For all purposes related to such a plan or plans, the participating local district is the employer of its employees who participate in the plan or plans.
3. **Federal Law Requirements.** The plan or plans for which the System is Plan Sponsor must meet all applicable federal law requirements.
4. **Terms and Requirements of Plan.** The rights, obligations, conditions and terms of each plan or plans for which the System is Plan Sponsor are those provided in the relevant Plan Document, as revised or amended from time to time.
5. **Plan under 5 MRSA Section 18252-B.** Adoption of a plan or plans under this section does not by itself satisfy the requirements of 5 M.R.S. §18252-B. A participating local district that intends a plan or plans that it adopts under this section to comply with 5 M.R.S. §18252-B must also meet that section's requirements.
6. **Procedure for Adoption**

- A. **Adoption Agreement.** A participating local district that acts to adopt a plan or plans under this section must complete the relevant Adoption Agreement or Agreements in a form provided or authorized by the System. An Adoption Agreement constitutes documentation of the participating local district's decision to adopt the plan to which the Agreement applies and signifies its understanding and acceptance of the provisions of the plan as set out in The Plan Document.
- B. **401(a) Plan: Contribution Rates.** In the case of a plan established in accordance with the requirements of Section 401(a) of the United States Internal Revenue Code of 1986, as amended,
- (1) the Adoption Agreement must specify the required employee contribution as established by the participating local district employer and the employer contribution, if any; and
  - (2) the participating local district may change the amount of the required employee contribution annually, effective July 1 immediately following its decision to change the amount. The participating local district must document the change by amending its Adoption Agreement to state the new required employee contribution amount. An employee already participating in the district's 401(a) plan at the time the required employee contribution amount is changed has the right to continue his/her employee contribution in the amount previously required or to change to the new required contribution amount.
7. **Disability Retirement Benefits: Participants in a 401(a) Plan who are Not Members under The Plan**
- A. **Applicability.** Employees who are participants in a 401(a) plan under this section and who are not members under The Plan are covered in the event of disability as set out in paragraph B.
- B. **Disability Retirement Program.** The disability retirement program established under this paragraph is that established by section 18521 *et seq.* and implemented by the System's related rules and policies, including but not limited to the disability application, determination and review processes, and standards for benefit eligibility and standards for continuation of benefits.
- (1) Title 5 M.R.S. §18524, sub-§2, applies to an employee with fewer than 5 years of participation in the 401(a) plan.
  - (2) Except as provided in subparagraph 3, the amount of the disability retirement benefit is 60% of the participant's annual compensation being paid at the time the participant became disabled, subject to adjustment as provided by 5 M.R.S. §18407 and this chapter.
  - (3) A participant who is found eligible for a disability retirement benefit and who terminates employment may elect to withdraw the balance of the participant's 401(a) account. If such a withdrawal includes employer contributions made on behalf of the participant, the disability retirement benefit will be actuarially adjusted so that the participant receives a disability retirement benefit of not more than the amount specified in subparagraph 2.

- (4) Benefits cease if the participant is found no longer eligible under the applicable statute, or on the date that the participant is required to receive a Required Minimum Distribution under federal law, whichever is earlier.

#### SECTION 14. RETIRING AND RETURNING TO WORK

If a person who is a recipient of a service retirement benefit under The Plan returns to employment by a participating local district of The Plan in a position for which membership would be mandatory or optional for a new hire, the person continues to receive the service retirement benefit and does not re-enter The Plan as a member. During the period that a retiree is returned to employment, contributions must be remitted to the System by the participating local district in the amount of the greater of (i) 5% of the person's earnable compensation, or (ii) the equivalent of employer and employee unfunded actuarial liability contributions at the aggregate rate on the person's earnable compensation. For purposes of this section, earnable compensation does not include Workers' Compensation earnings paid to the person.

#### SECTION 15. TRANSITION

1. **Rates.** Employer and employee rates for July 1, 2018, through June 30, 2019, shall be the rates set under this Rule prior to the amendment effective July 1, 2018. The transition from those rates to the rates calculated pursuant to Sections 7 and 8 shall be accomplished by smoothing in the new rates over an actuarially sound period.
2. **Unused Sick Leave or Vacation Leave.** Section 6, subsection 7, applies to those with a retirement effectiveness date on or after August 1, 2019.
3. **Retiring and Returning to Work.** Section 14 does not apply to a retiree employed by a participating local district on October 1, 2018, until the earlier of termination of employment or June 30, 2021.
4. **Membership Election.** The one-time election to join The Plan by November 1, 2021 under PL 2021, c. 286, § 6 applies only to employees of participating local districts who specifically adopt that provision in their participation agreement prior to November 1, 2021, or at the next meeting of the participating local district's executive or legislative body, whichever is later. For participating local districts adopting the provision on or after November 1, 2021, the one-time election date shall be such later date stated in the amended participation agreement.

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#### STATUTORY AUTHORITY:

5 M.R.S. §§ 17103(4), 18200 *et seq.*, 18801 *et seq.*

#### EFFECTIVE DATE:

May 11, 1993

#### AMENDED:

July 20, 1993

May 6, 1995

April 1, 2001

September 28, 2002

January 17, 2004  
October 12, 2004  
October 29, 2005 – filing 2005-449  
October 9, 2006 – filing 2006-433  
February 1, 2011 – filing 2011-45  
December 9, 2013 – filing 2013-295 (header corrected March 7, 2016)  
June 5, 2016 – filing 2016-099  
August 30, 2017 – filing 2017-133  
May 26, 2018 – filing 2018-082  
September 19, 2018 – filing 2018-188  
June 24, 2019 – filing 2019-101  
November 4, 2019 – filing 2019-189  
July 18, 2020 – Section 16 added, filing 2020-160  
November 25, 2020 – filing 2020-236  
October 4, 2021 – filing 2021-197



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# MAINEPERS

## BOARD OF TRUSTEES MEMORANDUM

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**TO:** BOARD MEMBERS

**FROM:** MICHAEL COLLERAN, CHIEF DEPUTY EXECUTIVE DIRECTOR AND  
GENERAL COUNSEL  
JAMES BENNETT, CHIEF INVESTMENT OFFICER

**SUBJECT:** MAINSTART QUARTERLY REVIEW

**DATE:** JUNE 2, 2022

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Following this memo is the MaineSTART Quarterly Review for the quarter ending 3/31/2021.

### **POLICY REFERENCE**

[Board Policy 2.1-C – DC Plans Investment Policy Statement](#)

[Board Policy 4.5 – Board/Staff Relations](#)

[Board Policy 4.6 – Communication and Support to the Board](#)

### **RECOMMENDATION**

*No Board action is required.*



MAINE  
START



# MaineSTART Quarterly Review

For the Quarter Ending 03/31/2022



**MainePERS**  
PUBLIC EMPLOYEES RETIREMENT SYSTEM

## Overview of MaineSTART

- ▶ **401(a) Defined Contribution Plan**
  - ▶ **Qualified Plan**
  - ▶ **Higher Contribution Limits**
  - ▶ **Inflexible**
- ▶ **403(b) Tax-Sheltered Annuity Plan**
  - ▶ **Only for Educational and Certain Non-Profit Organizations**
  - ▶ **Flexible**
- ▶ **457(b) Deferred Compensation Plan**
  - ▶ **Flexible**

## Participation and Value as of 03/31/2022

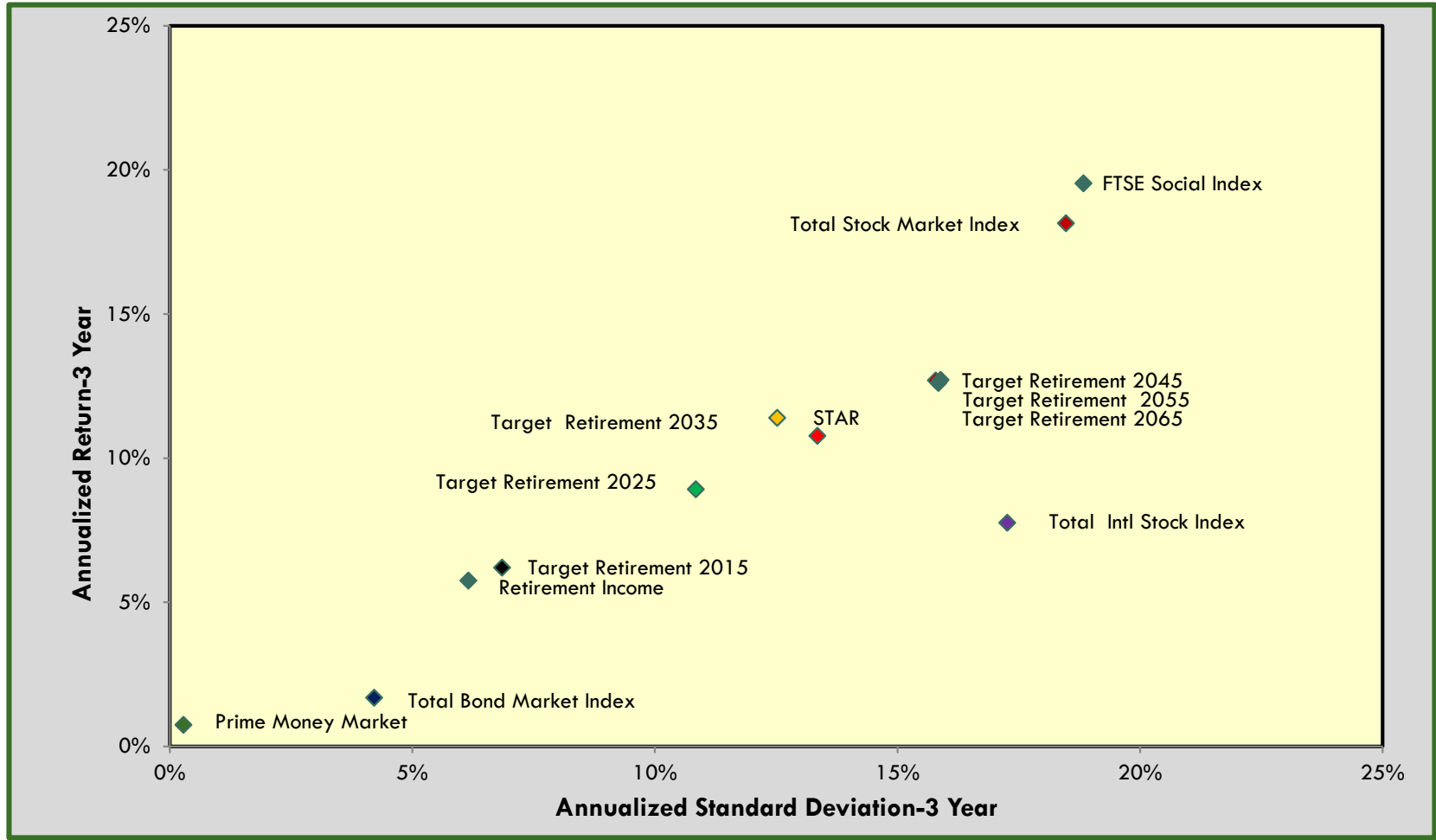
	401(a)	403(b)	457(b)	Total	Change from 03/31/2021
Participating Employers	7	1	72	80*	6
Participating Employees	85	573	900	1,558	105
Total Market Value	\$6,732,974	\$17,788,643	\$36,138,346	\$60,659,964	\$4,156,188

\*25% of PLDs

## MaineSTART Investment Options

Fund
Target Retirement
Vanguard Target Retirement 2015
Vanguard Target Retirement 2025
Vanguard Target Retirement 2035
Vanguard Target Retirement 2045
Vanguard Target Retirement 2055
Vanguard Target Retirement 2065
Vanguard Target Retirement Income
US Equity
Vanguard Total Stock Market Index
Vanguard FTSE Social Index
Non-US Equity
Vanguard Total International Stock Index
Balanced
Vanguard STAR
Fixed Income
Vanguard Total Bond Market Index
Cash
Vanguard Cash Reserves Federal Money Market

## Risk Profiles – 3 Years Ending 03/31/2022



# MaineSTART Review 1Q 2022

## Performance as of 03/31/2022 (Target Date Funds)

Total Fund	\$ 60,659,964	% Total	Quarter	1 Yr	3 Yrs	5 Yrs	10 Yrs
<b>Target Retirement Funds</b>							
Target Retirement 2015	\$ 4,445,032	7.3%	-4.8%	0.4%	6.2%	6.0%	6.2%
Retirement 2015 Benchmark			-4.6%	0.7%	6.6%	6.3%	6.5%
Target Retirement 2025	\$ 15,255,779	25.1%	-5.5%	1.9%	8.9%	8.1%	8.0%
Target Retirement 2025 Benchmark			-5.2%	2.4%	9.5%	8.6%	8.4%
Target Retirement 2035	\$ 9,467,356	15.6%	-5.7%	3.3%	10.8%	9.6%	9.3%
Target Retirement 2035 Benchmark			-5.3%	3.9%	11.4%	10.0%	9.7%
Target Retirement 2045	\$ 5,431,093	9.0%	-5.7%	4.9%	12.6%	10.9%	10.2%
Target Retirement 2045 Benchmark			-5.3%	5.6%	13.2%	11.3%	10.6%
Target Retirement 2055	\$ 1,073,824	1.8%	-5.7%	5.1%	12.7%	11.0%	10.2%
Target Retirement 2055 Benchmark			-5.3%	5.8%	13.4%	11.4%	10.6%
Target Retirement 2065	\$ 118,638	0.2%	-5.6%	5.1%	12.7%		
Target Retirement 2065 Benchmark			-5.3%	5.8%	13.4%		
Target Retirement Income	\$ 456,013	0.8%	-4.8%	0.2%	5.8%	5.3%	5.0%
Target Retirement Income Benchmark			-4.6%	0.5%	6.2%	5.6%	5.2%

Tracking Error for all funds remains within expected ranges given market volatility during Q1.

# MaineSTART Review 1Q 2022

## Performance as of 03/31/2022 (Index and Balanced Funds)

Total Fund	\$ 60,659,964	% of Total	Quarter	1 Yr	3 Yrs	5 Yrs	10 Yrs
<b>US Equity</b>							
Total Stock Market Index	\$ 12,868,179	21.2%	-5.5%	11.7%	18.2%	15.4%	14.2%
Dow Jones Total Stock Market Index			-5.4%	11.7%	18.2%	15.4%	14.3%
FTSE Social Index	\$ 760,761	1.3%	-7.5%	12.9%	19.5%	16.8%	15.7%
FTSE4Good US Select Index			-7.4%	13.1%	19.6%	16.9%	15.8%
<b>Non-US Equity</b>							
Total International Stock Index	\$ 2,412,854	4.0%	-6.1%	-1.9%	7.8%	6.8%	5.8%
Total International Stock Index			-5.3%	-0.7%	8.2%	7.1%	6.0%
<b>Balanced</b>							
STAR	\$ 3,358,041	5.5%	-6.9%	-0.3%	11.4%	10.1%	9.1%
STAR Composite Index			-5.1%	3.7%	10.6%	9.3%	8.5%
<b>Fixed Income</b>							
Total Bond Market Index	\$ 2,305,749	3.8%	-6.0%	-4.1%	1.7%	2.1%	2.2%
Barclays Capital Aggregate Bond Index			-6.0%	-4.1%	1.8%	2.2%	2.3%
<b>Total Cash</b>							
Cash Reserves Federal Money Market	\$ 2,706,645	4.5%	0.0%	0.0%	0.8%	1.2%	0.7%
Citigroup 90 Day T-Bill Index			0.0%	0.0%	0.6%	0.9%	0.5%

The STAR fund has underperformed over the past year. Tracking Error on the other funds remains within expected ranges.



# MaineSTART Review 1Q 2022

## Investment Option Fees

Fund Name	Ticker	Market Value	MaineSTART Expense Ratio	Next Threshold Amount	Next Expense Ratio
Vanguard Total Stock Market Index	VITSX	\$12,868,179	0.03%	\$100,000,000	0.02%
Vanguard Total International Stock Index	VTIAX	\$2,412,854	0.11%	\$5,000,000	0.10%
Vanguard STAR	VGSTX	\$3,358,041	0.31%	N/A	0.31%
Vanguard FTSE Social Index	VFTAX	\$760,761	0.14%	\$5,000,000	0.12%
Vanguard Target Retirement 2015	VTXVX	\$4,445,032	0.08%	N/A	0.08%
Vanguard Target Retirement 2025	VTTVX	\$15,255,779	0.08%	N/A	0.08%
Vanguard Target Retirement 2035	VTTHX	\$9,467,356	0.08%	N/A	0.08%
Vanguard Target Retirement 2045	VTIVX	\$5,431,093	0.08%	N/A	0.08%
Vanguard Target Retirement 2055	VFFVX	\$1,073,824	0.08%	N/A	0.08%
Vanguard Target Retirement 2065	VLXVX	\$118,638	0.08%	N/A	0.08%
Vanguard Retirement Income	VTINX	\$456,013	0.08%	N/A	0.08%
Vanguard Total Bond Market Index	VBTLX	\$2,305,749	0.05%	N/A	0.05%
Vanguard Cash Reserves Federal MM	VMRXX	\$2,706,645	0.10%	N/A	0.10%
\$60,659,964					

## Record-Keeper and Administrative Fees

- ▶ **Newport Annual Fees: \$50 per participant and 3 basis points on assets paid by participants**
- ▶ **Newport Distribution Fees: \$75 paid by the participant for a non-periodic distribution; no fee for periodic distributions**
- ▶ **MainePERS Administrative Fees: \$222,200 annually charged to PLDs (equates to .03563% of total PLD payroll)**

## Compliance and Operations

- ▶ Roth contributions for 457 and 403(b) participants continue
- ▶ Employer audit findings on participation agreements have been resolved for 14 of 18 employers with findings
- ▶ Vanguard Target Retirement 2015 Fund will transition into the Vanguard Retirement Income Fund in July
- ▶ Planning for offering MaineSTART to teachers has begun

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# MAINEPERS

## BOARD OF TRUSTEES ACTUARIAL MEMORANDUM

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**TO:** BOARD MEMBERS  
**FROM:** KATHY MORIN, DIRECTOR, ACTUARIAL AND LEGISLATIVE AFFAIRS  
**SUBJECT:** FISCAL YEARS 2024-2025 RATE-SETTING  
**DATE:** JUNE 3, 2022

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Every two years, the Board adopts the employer contribution rates that will apply to the State-sponsored plans in the upcoming biennium. Rates will be set in July for fiscal years 2024-2025. We have been watching the markets and working with Cheiron to determine the potential impact on pension rates of the low investment returns we have been experiencing this fiscal year.

Gene Kalwarski from Cheiron will join the meeting to discuss the upcoming rate-setting. Cheiron has provided the attached memo that discusses some possible options for consideration. Gene will review these options and their impacts at the meeting.

### **POLICY REFERENCE**

[Board Policy 2.2 – Actuarial Soundness and Funding](#)

### **RECOMMENDATION**

*No Board action is required.*

# CHEIRON MEMORANDUM

**To:** Rebecca Wyke  
**From:** Gene Kalwarski  
**cc:** Kathy Morin, Mike Colleran, Sherry Vandrell, Fiona Liston  
**Date:** June 3, 2022  
**Re:** Fiscal Years 2024 & 2025 Ratemaking

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In advance of this July's ratemaking for the State's FY24&25 biennium budget, Cheiron has prepared this memorandum to discuss possible options for the Board to consider in dealing with the fiscal impact of a likely down market for FY22.

We estimated the FY22 return to be 1%, based on projected returns provided by MainePERS. A 1% return for the State and Teacher plan would likely produce a FY24/25 biennium budget of \$1,008 million (and a 21.40% S&T contribution rate). This compares to the prior biennium (FY22/23) budget of \$860 million. Other than recognizing the liability loss due to last year's 3% COLA, the budgeting process assumes no other experience losses through June 30, 2022. We would note that the \$860 million FY22/23 amount was expected to increase by two-year's worth of salary growth at the assumed rate for an expected increase of around 5.6%.

A margin of plus or minus 1% return is likely to result in a plus or minus \$8 million to the biennium budget (and a plus or minus 0.16% adjustment to the S&T contribution rate).

Recognizing a long-held Board objective of maintaining contribution rate stability, we have developed some possible alternatives for the Board to consider that can mitigate these anticipated increases and which we are comfortable justifying from an actuarial standards perspective. These alternatives are based on accelerating the recognition of a portion of the estimated \$480 million in deferred asset gains which would still remain as of 6/30/2022. Otherwise, none of these deferred gains would be reflected in the upcoming ratemaking for FY24/25. The table below presents four options representing a 0%, 10%, 20% and 30% immediate recognition of deferred asset gains in the FY24/25 biennium budget. Note that this is an additional recognition on top of the 1/3 recognition of gains that is already part of the three year asset smoothing process. All four options assume 1% earnings for FY2022.

	<b>Option 1</b>	<b>Option 2</b>	<b>Option 3</b>	<b>Option 4</b>
deferred gain recogn	none	10%	20%	30%
FY22/23 budget	\$ 860	\$ 860	\$ 860	\$ 860
expected FY24/25 bu	\$ 908	\$ 908	\$ 908	\$ 908
FY 24/25 budget	\$ 1,008	\$ 1,000	\$ 992	\$ 985
% increase	17.2%	16.3%	15.3%	14.5%
% increase from expi	11.0%	10.1%	9.3%	8.5%

*\*The expected FY24/25 budget assumes 2.75% annual payroll growth and 6.5% earnings for FY2022*

As the chart shows accelerating the recognition of a portion of deferred asset gains does mitigate somewhat the impact of the assumed 1% return for FY22.

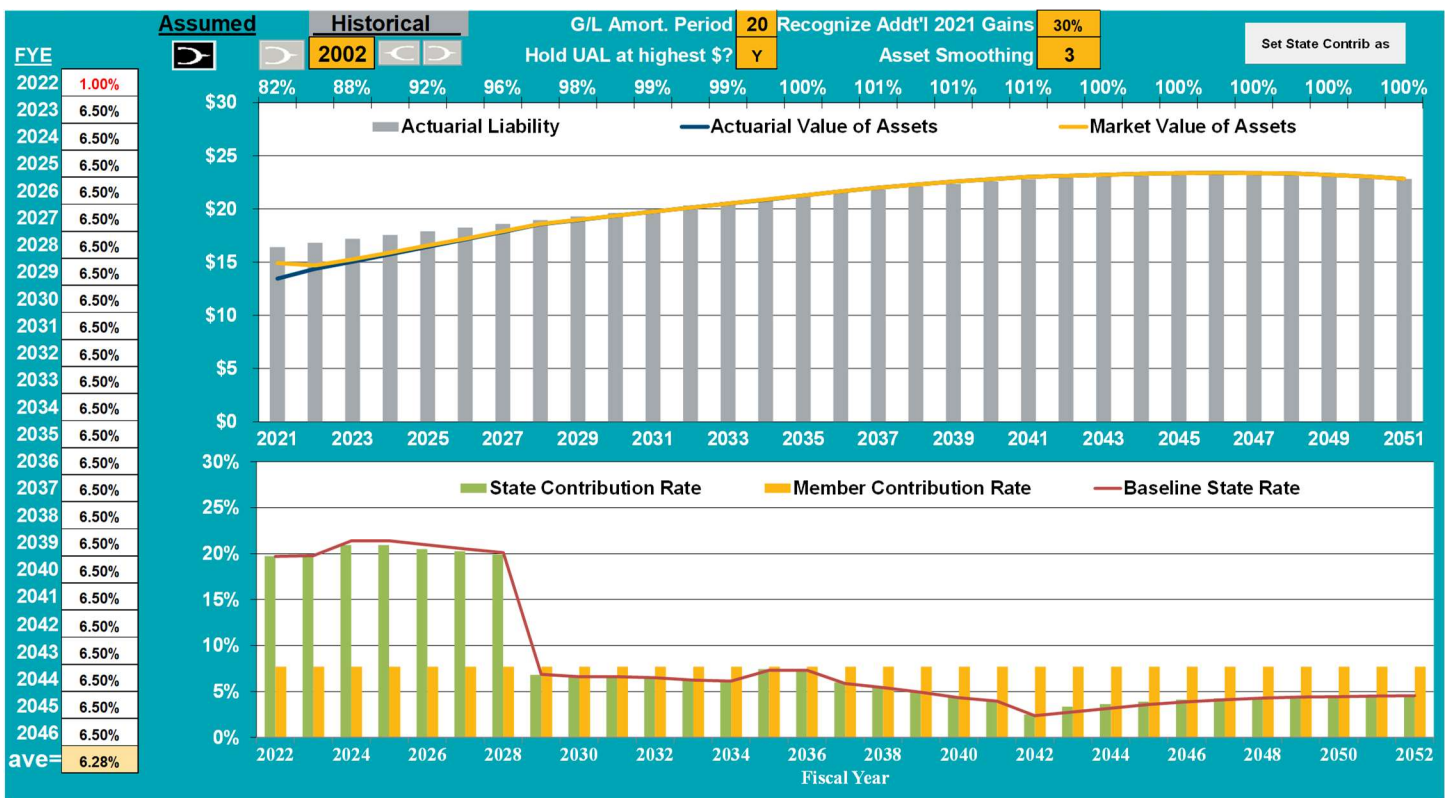
**Rationale**

There are several factors that justify the consideration of a partial acceleration of deferred asset gains.

1. Given that there is expected to be a substantial drop in State contributions (67% drop) after 2028, minimizes the need for requiring a significant increase for FY24&25.
2. Results in a more stable progression of State contributions through 2028.
3. Limiting the deferred asset gain recognition to not more that 30% still leaves over \$335 million of deferred assets gains to offset the impact of the FY23 asset loss.

**Financial Impact**

The financial impact of electing to immediately recognize 30% of the deferred asset gains would be to slightly increase state contributions 20+ years from now. However, the State contribution rate is expected to drop significantly due to the payoff of the 1996 UAL in 2028. The red line represents the State contributions with no recognition of deferred asset gains, and the green bars represent State contributions after recognizing 30% of the deferred asset gains.



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# MAINEPERS

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## BOARD OF TRUSTEES ADMINISTRATION MEMORANDUM

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**TO:** BOARD MEMBERS

**FROM:** JOY CHILDS, DIRECTOR OF IT  
JIM DUSCH, DIRECTOR OF MEMBER SERVICES  
DOMNA GIATAS, DIRECTOR OF COMMUNICATIONS  
REBECCA GRANT, DIRECTOR OF ADMINISTRATION  
VALERIE SCOTT, DIRECTOR OF SPECIAL PROJECTS  
SHERRY VANDRELL, DIRECTOR OF FINANCE

**SUBJECT: OPERATIONS REPORT**

**DATE:** JUNE 2, 2022

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Content in the following paragraphs was selected to provide noteworthy information regarding recent operations at the System.

### POLICY REFERENCE

[Board Policy 4.5 – Board/Staff Relations](#)

[Board Policy 4.6 – Communications and Support to the Board](#)

### SERVICE PROGRAMS

1. BENEFITS PAYROLL. We successfully processed and distributed more than 35,000 retroactive Cost of Living Adjustments (“COLA”) for the State-funded plans in May, just one month after the COLA changes were enacted into law. We also made regular benefit distributions to 46,362 recipients. Retroactive and regular benefit payments totaled \$98,441,893.84.
2. RETIREMENT SERVICES. One hundred individuals received their first benefit payment in May, with the typical benefit amount being \$1,584 after 20 years of service. The count of new recipients, payment amount, and service is in line with what has been seen in recent Mays. One hundred seventy-nine former members received a refund of their contributions in May, typically amounting to \$5,240 as the result of two years of service. The aggregate amount refunded was \$1,860,801.
3. DISABILITY SERVICES. Six new disability retirement applications were received in May, and 13 intakes with varying levels of detail and duration were conducted.
4. SURVIVOR SERVICES. Forty-three life insurance claims were sent to our carrier (The Hartford) in May, with a total value of \$1,104,050 in payments due to beneficiaries.
5. DEFINED CONTRIBUTION PLAN SERVICES. MaineSTART had 1,564 participants at the end of May, with \$56,993,617 of investment assets in the program.

## FINANCIAL PROGRAMS

1. EMPLOYER REPORTING. Ninety-three percent of the defined benefit payrolls expected to be received in May were uploaded on time, as compared to ninety-six percent in April.
2. EMPLOYER REPORTING ASSISTANCE PROGRAM. Two reviews were initiated and no reviews were finalized during the month of April. Staff are being redirected to support some data cleanup work and are focused on closing out audit findings from prior audits. Eighty-five percent of all findings to date have been resolved satisfactorily.

## ADMINISTRATION

1. BUSINESS CONTINUITY PLANNING. MainePERS departmental recovery plan and individual task plan reviews with staff are 90% complete. Desktop exercises are being scheduled to test and strengthen the departmental plans and overall readiness.
2. ADMINISTRATIVE. Security training is planned for the Member Services Representatives in Reception during the month of June. Additional staff training on active shooter responses is planned for FY23.

The Member Self-Service working group has scheduled testing of the Vitech V3 Member Self-Service portal to assess its security status and viability as a solution.

3. COMMUNICATIONS. The post production edits for the four Quick Tip Videos have been completed. The videos focus on frequently asked questions by members transitioning to retirement. The video topics include when to contact MainePERS for your approaching retirement, how to select a benefit plan, how benefits are paid, and when benefits may cover the cost of insurance. The videos will be available for viewing on the MainePERS website and promoted in various ways, including through participating employers to share with their employees.
4. HUMAN RESOURCES. Recruitment remains at the top of the HR work priorities. A request for reclassification has been received from MSEA for two groups of employees. An analysis is underway. Diversity, Equity, and Inclusion training is underway across the organization.
5. INFORMATION TECHNOLOGY. Implementation of CrowdStrike, our new generation of endpoint security has been completed.

MainePERS and vendor partner Presidio have started implementation of AirGap, a Zero Trust network segmentation that protects against lateral ransomware movement. The hardware has been installed in our server room and configuration will start the second week in June.



**Maine Public Employees Retirement System**  
**Contributions and Disbursements - Defined Benefit Plans**  
**For the Ten Months Ended April 30, 2022 and April 30, 2021**

	<u>Current</u>	<u>Year to Date</u>	<u>Prior Year to Date</u>
<b>Contributions</b>			
Employer Contributions <sup>(1)</sup>	\$ 43,289,471	\$ 439,144,361	\$ 415,759,054
Member Contributions	17,481,041	170,244,229	163,354,646
Member Repurchases	502,003	8,684,900	2,680,141
<b>Total Contributions</b>	<b><u>\$ 61,272,515</u></b>	<b><u>\$ 618,073,490</u></b>	<b><u>\$ 581,793,841</u></b>
<b>Member Disbursements</b>			
Benefits Payroll	\$ 93,747,327	\$ 931,858,657	\$ 891,763,516
Member Refunds	2,441,615	19,217,796	16,733,698
<b>Total Member Disbursements</b>	<b><u>\$ 96,188,942</u></b>	<b><u>\$ 951,076,453</u></b>	<b><u>\$ 908,497,214</u></b>
<b>Net</b>	<b><u>\$ (34,916,427)</u></b>	<b><u>\$ (333,002,963)</u></b>	<b><u>\$ (326,703,373)</u></b>

<sup>(1)</sup>Employer Contributions include both normal cost and UAL contributions