MainePERS Board of Trustees

MainePERS
PUBLIC EMPLOYEES RETIREMENT SYSTEM

Monthly Meeting Packet

January 13, 2022

MainePERS Board of Trustees
January 13, 2022
Augusta – Remote

AGENDA

9:00 a.m.		CALL TO ORDER		Brian Noyes
9:00 – 9:05 a.m.	1.	CONSIDERATION OF CONSENT CALENDAR • Minutes of December 9, 2021	ACTION	Brian Noyes
9:05 – 9:10 a.m.	2.	CEO REPORT		Dr. Rebecca M. Wyke
9:10 – 9:15 a.m.	3.	BOARD CALENDAR 2022		Dr. Rebecca M. Wyke
9:15 – 9:20 a.m.	4.	ESG REPORT		Dr. Rebecca M. Wyke James Bennett Zackery McGuire
9:20 – 9:40 a.m.	5.	PRIVATE MARKETS REVIEW • Co-Investment Authority Update • Private Markets Activity	ACTION	James Bennett Zackery McGuire
9:40 – 10:00 a.m.	6.	INVESTMENT REVIEW • Investment Monthly Review		James Bennett Zackery McGuire
10:00 – 10:30 a.m.	7.	ASSET ALLOCATION		James Bennett Zackery McGuire Brian McDonnell Stuart Cameron, Cambridge Assocs.
10:30 – 10:45 a.m.		*BREAK*		
10:45 – 11:00 a.m.	8.	ADMINISTRATION REPORT • Operations Report • Interest Rates Update		Jim Dusch Sherry Vandrell Rebecca Grant Michael Colleran
11:00 – 11:10 a.m.	9.	LEGISLATIVE UPDATE		Kathy Morin Michael Colleran
11:10 – 11:25 a.m.	10.	REVIEW OF ACTUARIAL CONSULTANT • Continued Retention of Consultant	ACTION	Kathy Morin Michael Colleran

11:25 – 11:30 a.m.	11.	LITIGATION SUMMARY	Betsy Stivers
11:30 a.m.		ADJOURNMENT	Brian Noyes

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

Minutes

Board of Trustees	MainePERS
Board Meeting	Remotely
December 9, 2021	9:00 a.m.

The Board of Trustees held a meeting through video remote access pursuant to P.L. 2021, Ch. 290 at 9:00 a.m. on December 9, 2021. Brian Noyes, Chair, presided. Other Trustees participating were Dick Metivier, Vice Chair; Henry Beck, State Treasurer; John Beliveau; Mark Brunton; John Kimball; and Ken Williams. Joining the Trustees were Dr. Rebecca M. Wyke, Chief Executive Officer; Michael Colleran, Chief Operating Officer and General Counsel; 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; Douglas Porter, Asset Class Head; Brian McDonnell, Cambridge Associates; Tom Lynch and George Bumeder, Cliffwater; Ed Schwartz and Thor Eriksen, ORG; Rebecca Grant, Director of Administration; Jim Dusch, Director of Member Services; and Sherry Vandrell, Director of Finance.

Brian Noyes called the meeting to order at 9:00 a.m. All Trustees except for Shirrin Blaidsell were present. Jim Bennett introduced and welcomed Zack McGuire, the System's new Deputy Chief Investment Officer. Jim also shared that Doug Porter has been promoted to Deputy Managing Director effective January 1st.

CONSIDERATION OF THE CONSENT CALENDAR

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

- Minutes of November 18, 2021

- Action. Dick Metivier made the motion, seconded by John Beliveau, to approve the Consent Calendar. Voted unanimously by seven Trustees (Beck, Beliveau, Brunton, Kimball, Metivier, Noyes, and Williams).

CEO REPORT

Dr. Rebecca Wyke summarized for Trustees the justification for continuing to meet remotely and provided an update on outreach, including a presentation she and Ken Williams gave to the Maine Education Association and a meeting with the Executive Director of the New Hampshire Retirement System. She announced the membership of the Divestment Advisory Panel and reviewed the process for complying with the divestment laws. She also outlined strategic planning that is beginning on the newly-adopted goals and objectives and discussed related personnel and budget adjustments.

PERSONNEL MATTER

- Action. Motion made by Dick Metivier, seconded by Henry Beck, to enter into Executive Session pursuant to 1 M.R.S. §405(6)(A) to discuss employment, compensation, and duties of employees. Voted unanimously by seven Trustees (Beck, Beliveau, Brunton, Kimball, Metivier, Noyes, and Williams).

Board moved out of executive session.

PRIVATE MARKETS ACTION

Ares Senior Direct Lending Fund II

- Action. Ken Williams made the motion, seconded by Mark Brunton, that MainePERS make a commitment of up to $100 million to Ares Senior Direct Lending Fund II, 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 seven Trustees (Beck, Beliveau, Brunton, Kimball, Metivier, Noyes and Williams).

Varadero Master Fund

- Action. Dick Metivier made the motion, seconded by John Beliveau, that MainePERS make a commitment of up to $100 million to Varadero Master Fund, 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 seven Trustees (Beck, Beliveau, Brunton, Kimball, Metivier, Noyes and Williams).

Real Estate Rebalancing

- Action. Henry Beck made the motion, seconded by Ken Williams, that MainePERS submit a full redemption request to Prima Capital Advisors for the entire account balance of MainePERS' interest in the Prima Mortgage Investment Trust, and authorize the Chief Executive Officer, Chief Investment Officer, and General Counsel as signatories to execute documents in connection with this redemption request. Voted unanimously by seven Trustees (Beck, Beliveau, Brunton, Kimball, Metivier, Noyes and Williams).

FY22 BUDGET ADJUSTMENT

- Action. Mark Brunton made the motion, seconded by Henry Beck, that the Board amend the FY22 Budget by increasing Personal Services by $220,435. Voted unanimously by seven Trustees (Beck, Beliveau, Brunton, Kimball, Metivier, Noyes and Williams).

PRIVATE MARKETS REVIEW

Private Markets Activity

Jim Bennett reviewed the table of private markets funds that had closed during the past 12 months. Jim shared that there is no manager meeting scheduled for December.

Co-Investment Review

Jim Bennett and Doug Porter reviewed and answered questions from the Trustees regarding the current co-investment program.

INVESTMENT REVIEW

Investment Monthly Review

Jim Bennett reported that as of November 30th the MainePERS fund had a preliminary value of $18.6 billion, the preliminary fund return for the month was -0.9%, the preliminary fiscal year-to-date return was 3.6%, and the preliminary calendar year to date return was 14.9%.

QUARTERLY INVESTMENT EDUCATION

Jim Bennett presented the strategic asset allocation process for the Trustees. Jim reviewed the asset classes and their roles in the portfolio, asset class modeling, risk and return, and the current portfolio with the Trustees. Brian McDonnell shared Cambridge Associates' asset class expectations for the future. Jim and Brian answered questions from the Trustees. Jim shared he will continue the discussion at the next Board meeting.

BOARD POLICY AMENDMENTS

Mike Colleran presented recommended amendments to Board Policy 2.1-C DC Plans Investment Policy Statement and Board Policy 2.2 – Actuarial Soundness and Funding.

- Action. Motion made by Ken Williams, seconded by Dick Metivier, that the Board approve amended Board Policies 2.1-C and 2.2. Voted unanimously by seven Trustees (Beck, Beliveau, Brunton, Kimball, Metivier, Noyes and Williams).

Henry Beck left the meeting at 10:55 a.m.

MAINESTART QUARTERLY REPORT

Mike Colleran shared with the Trustees an overview of the MaineSTART program as of 9/30/2021. Mike stated in next legislative session there will be a request included in the System bill to give us express authority to offer MaineSTART to employers who are not PLDs. Mike answered questions from the Trustees.

RULEMAKING UPDATE

Mike Colleran shared the rulemaking process to update the disability program rules due to new statutory changes has begun. We anticipate receiving public comments in writing and bringing recommendations to the Board early next year.

ADMINISTRATION REPORT

Operations Report

Jim Dusch stated recruitment for pension associates is going well. Jim stated that progress continues on the end of year beneficiary-related required minimum distributions.

Sherry Vandrell reported that 89% of payrolls were received on time in November. Sherry stated the Employer Reporting Assistance Team has renewed focus on the importance of submitting reports in a timely fashion. Eighty-four percent of findings were satisfactorily completed. The team is identifying themes underlying these findings that will help in developing additional employer training.

Rebecca Grant shared that the current focus is updating business continuity plans, over 50% of which have been completed. Rebecca stated the IT assessment results should be received in the near future.

LITIGATION UPDATE

Betsy Stivers stated the two cases are still pending. In the Hawaii matter, a request for final judgement has been made from the Hawaii Court. Betsy shared that a motion to dismiss on the personnel matter has been filed and fully briefed and is currently waiting for a court decision.

ADJOURNMENT

- Action. Ken Williams made a motion, seconded by Dick Metivier, to adjourn the December Board of Trustees meeting. Voted unanimously by six Trustees (Beliveau, Brunton, Kimball, Metivier, Noyes and Williams).

The meeting adjourned at approximately 11:30 a.m.

1/13/2022
Date Approved by the Board

Dr. Rebecca M. Wyke, Chief Executive Officer

Date Signed

MAINEPERS

BOARD OF TRUSTEES MEMORANDUM

TO: BOARD MEMBERS

FROM: MONICA GORMAN, BOARD SECRETARY

SUBJECT: 2022 MEETING DATES

DATE: JANUARY 5, 2022

Included with this memorandum is the 2022 calendar of Board, Board Officer, Finance and Audit Committee, and Investment Manager meetings.

Thank you.

MainePERS

Board of Trustees Calendar

2022

January

- January 11 – Board Officer Meeting
- January 13 – Board Meeting
- January 25 – Investment Managers Meeting (if needed)

February

- February 8 – Board Officer Meeting
- February 10 – Finance and Audit Committee Meeting
- February 10 – Board Meeting
- February 22 – Investment Managers Meeting (if needed)

March

- March 8 – Board Officer Meeting
- March 10 – Board Meeting
- March 22 – Investment Managers Meeting (if needed)

April

- April 12 – Board Officer Meeting
- April 14 – Finance and Audit Committee Meeting
- April 14 – Board Meeting
- April 26 – Investment Managers Meeting (if needed)

May

- May 10 – Board Officer Meeting
- May 12 – Finance and Audit Committee Meeting
- May 12 – Board Meeting
- May 24 – Investment Managers Meeting (if needed)

June

- June 7 – Board Officer Meeting
- June 9 – Board Meeting
- June 28 – Investment Managers Meeting (if needed)

July

- July 12 – Board Officer Meeting
- July 14 – Board Meeting
- July 26 – Investment Managers Meeting (if needed)

August

- August 9 – Board Officer Meeting
- August 11 – Finance and Audit Committee Meeting
- August 11 – Board Meeting
- August 23 – Investment Managers Meeting (if needed)

September

- September 6 – Board Officer Meeting
- September 8 – Board Meeting
- September 27 – Investment Managers Meeting (if needed)

October

- October 11 – Board Officer Meeting
- October 13 – Special Finance and Audit Committee Meeting
- October 13 – Board Meeting
- October 25 – Investment Managers Meeting (if needed)

November

- November 8 – Board Officer Meeting
- November 10 – Finance and Audit Committee Meeting
- November 10 – Board Meeting
- November 22 – Investment Managers Meeting (if needed)

December

- December 6 – Board Officer Meeting
- December 8 – Board Meeting
- December 27 – Investment Managers Meeting (if needed)

MAINEPERS

BOARD OF TRUSTEES INVESTMENTS MEMORANDUM

TO: BOARD MEMBERS

FROM: DR. REBECCA M. WYKE, CHIEF EXECUTIVE OFFICER
JAMES BENNETT, CHIEF INVESTMENT OFFICER

SUBJECT: **2021 ESG REPORT**

DATE: JANUARY 6, 2022

Following this memo is the 2021 Environmental, Social, and Governance (ESG) report. This report, which is also available on the MainePERS public website, discusses the MainePERS approach to ESG and highlights ESG-related aspects of various investments, both public and private.

POLICY REFERENCE

Board Policy 2.6 – Environmental, Social, and Governance Policy

Board Policy 4.5 – Board/Staff Relations

Board Policy 4.6 – Communication and Support to the Board

MainePERS

PUBLIC EMPLOYEES RETIREMENT SYSTEM

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

2021 EDITION

Highlighting how sustainability factors influence investment decisions

MainePERS . . . considers material environmental, social and governance (ESG) risks and value creation opportunities for inclusion in our due diligence and ongoing monitoring of investments subject to our fiduciary duties, constitutional requirements and in accordance with local laws and regulations.

MAINEPERS ENVIRONMENTAL, SOCIAL AND GOVERNANCE POLICY. ADOPTED ON JUNE 8, 2015.

CHIEF EXECUTIVE OFFICER
Dr. Rebecca M. Wyke

January 1, 2022

MainePERS is pleased to present you with our 2021 Environmental, Social and Governance (ESG) Report in accordance with the requirements of 5 M.R.S.A. §1957 §§ 5.

Our ESG policy, adopted in 2015, considers material environmental, social and governance risks and value creation opportunities for inclusion in our due diligence and ongoing monitoring of investments subject to our fiduciary duties, constitutional requirements and in accordance with local laws and regulations.

At MainePERS, we understand our primary duty is to serve as responsible fiduciaries to our members. Our constitutional mandate requires "*all of the assets and proceeds or income therefrom, of the Maine State Retirement System or any successor system and all contributions and payments made to the system to provide retirement and related benefits shall be held, invested or distributed as in trust for the exclusive purpose of providing for such benefits and shall not be encumbered for, or diverted to, other purposes.*" We are proud that Maine is one of the few states that protect pension funding in our state constitution.

Since 1942, the Maine Public Employees Retirement System (MainePERS) has helped public employees prepare for retirement. The System's contributing members include teachers, state, county, and municipal employees, legislators, judges, and those who work for other public entities. In addition to our active members, many public sector retirees and their beneficiaries receive monthly benefits from retirement plans offered by MainePERS. The System also administers Disability Retirement, Group Life Insurance, and MaineSTART, a tax-deferred retirement savings program. Administration of these programs includes financial administration, investment administration, recordkeeping of members' work and compensation data, and administration of retirement-related services provided to members, employers and retirees.

Additional information about MainePERS may be found on our website at *www.mainepers.org*.

Sincerely,

Dr. Rebecca M. Wyke
Chief Executive Officer

www.mainepers.org

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RISKS AND OPPORTUNITIES

"There is now broad recognition that ESG factors are fully part of governance and of equal weight in evaluating the value and the risk of portfolio companies."

—Stephen Davis
ICGN Founder and Associate Director of Corporate Governance and Institutional Investors Programs at Harvard Law School

In implementing the Board of Trustees' ESG policy, the MainePERS Investment Team has developed a thoughtful process to monitor the level of ESG risk factors in the MainePERS investment portfolio. Before making any new investment, MainePERS completes a robust due diligence process considering a broad range of factors, including ESG. Such factors include the extent to which financially attractive investments have positive social or environmental impacts, the ability of our investment partners to work constructively with deal stakeholders and to be good community members themselves; and the degree of transparency an investment partner provides.

MainePERS recognizes the strong correlation between *good governance* and investment performance and therefore considers it an important consideration in the due diligence process.

• • •

MainePERS considers investment manager environmental partnerships and affiliations during the due diligence process.

• • •

MainePERS carefully examines how current and potential partners address diversity, how they incorporate ESG training within their organization and in their portfolio companies.

• • •

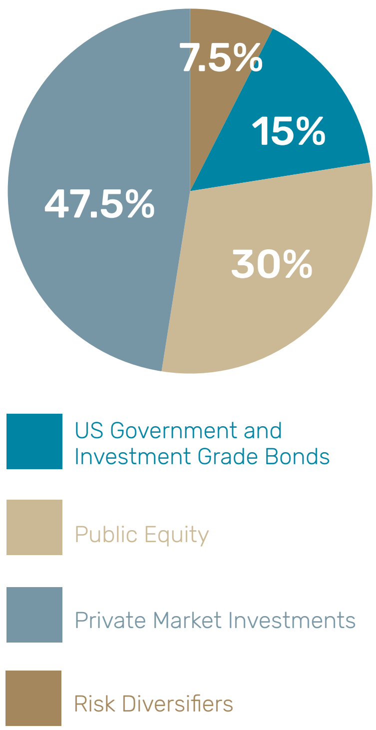
MainePERS takes a holistic view when evaluating investments. No single factor is necessarily a definitive reason to invest or not invest in a strategy, rather all factors are important inputs into the overall decision.

PUBLIC MARKET INVESTMENTS: ENGAGEMENT AND PROXY VOTING

Public Market Investments

MainePERS takes a passive approach to investing in public equity markets. We "index" our public equity investments and simply hold the entire stock market. This approach provides broad market exposure at extremely low cost and with little portfolio turnover. This approach means that we do not evaluate the merits, ESG or otherwise, of any individual public company in order to make buy or sell decisions. However, as a shareholder MainePERS is still able to actively engage with company management, particularly through the proxy voting process.

MainePERS Asset Allocation
(as of 6/30/2021)



ACTIVE OWNERSHIP

"Active ownership refers to the practice of entering into a dialogue with companies on ESG issues and exercising both ownership rights and voice to effect change. Active ownership is in sharp contrast to the idea that investors should vote with their feet—that is, simply sell off the investments with questionable practices."

CFA Institute, Environmental, Social and Governance Issues in Investing: A Guide for Investment Professionals.

MainePERS owns both public and private equity investments, and recognizes that we cannot ensure any particular investment's commitment to ESG considerations, especially in cases where MainePERS is a minority owner and has limited ability to influence the organization. In the case of investments in large publicly traded securities, the MainePERS Investment Team selectively engages companies in which we currently invest where engagement can have meaningful impact relevant to ESG-related issues. Example of this type of engagement activity include letters sent in 2021 to Duke Energy, General Electric, and Dominion Energy concerning Board Chair Independence.

We view ourselves as an "active owner" of the companies in which we invest and will directly engage with company management as appropriate. MainePERS views such engagement as an important and effective means of managing long term risks. Additionally, as opportunities arise, MainePERS works collaboratively with other investors and ESG proponents to broaden our engagement reach and impact.

The MainePERS Investment Team believes that being active owners and making our voice heard by voting proxies of publicly traded companies has economic value and can serve to reduce portfolio risk. Proxies are the vehicle by which boards of directors are elected, bylaws are changed, and other actions in which owners are involved are accomplished. In conjunction with our proxy agent, Glass Lewis, MainePERS votes on management and shareholder proxy proposals in a manner consistent with our Environmental, Social, and Governance Policy as articulated in the MainePERS Engagement Policy (2.7). During the most recent fiscal year, MainePERS voted in favor of ESG-related shareholder proposals in a majority of cases.

BOARD GOVERNANCE

In 2021 MainePERS and other institutional investors supported activist investor Engine No. 1 in its successful attempt to replace several members of ExxonMobil's Board of Directors with nominees judged more able to guide the company through the ongoing transition in the global energy markets.

MainePERS casts ballots on over 10,000 proxy items every year.

GLASS LEWIS

PRIVATE MARKET INVESTMENTS

ESG CONSIDERATIONS

While ESG considerations are never an exclusive reason to pursue an investment, in many cases attractive investments are also attractive from an ESG perspective. An example is an Infrastructure investment which involved conversion of existing coal boilers to modern natural gas boilers, resulting in a 50% reduction in CO2 emissions.

PANDEMIC RESPONSE

The COVID-19 pandemic has significantly impacted global supply chains, and one MainePERS Infrastructure investment utilized its position in the cold storage sector to provide 100 million meals to families in need, a goal that was met in 6 months.

MainePERS invests in a number of private "alternative" asset classes, such as Natural Resources, Private Equity, Infrastructure, and Real Estate. Prior to investing with any particular private asset manager, the MainePERS Investment Team completes a thorough due diligence process. This process is designed to assist the Team in the identification and monitoring of risk factors, including the evaluation of a number of ESG-specific items, and a review of a prospective manager's internal ESG policy. Governance and labor practices are crucial concerns in our due diligence process. Appropriate governance is a prerequisite for any MainePERS investment. We also study labor practices of both the fund and the companies they manage. The due diligence process provides our Investment Team with a road map of strengths and weaknesses that allows us to make an informed investment recommendation to the Board of Trustees. Our holistic approach means we rarely make an investment decision based on a single issue (ESG-related or otherwise). Bringing all these factors into consideration, MainePERS looks to partner with asset managers that operate in an environmentally responsible manner, foster a fair and meritocratic work environment, and provide responsible corporate citizenship. Our Investment Team also believes that conducting due diligence into the ESG practices of potential managers is itself an important act, and in many cases serves to alert managers to a need to improve their ESG practices and disclosures.

MainePERS invests in firms that demonstrate wise-use principles and seek to ensure observance of ESG best practices.

ENERGY EFFICIENCY

A number of MainePERS investments can complement the growing use of renewable energy sources by improving efficiency. A recent private market investment that MainePERS was involved in created smart glass that reduces a building's energy consumption by 10-20% in different climates while also improving comfort inside.

WATER SUPPLY

MainePERS is an investor in a reverse-osmosis water treatment company that has created a water tap that eliminates a family's need for 500 plastic bottles per year.

Energy Transition

Energy storage is becoming a critical component required for a successful transition to a lower carbon energy future. Efficient large scale storage is needed to enable renewable energy produced when demand is low to be used during periods of higher demand. For example, excess solar energy produced during daylight hours must be stored until demand peaks in the evening. Similarly, since wind energy production typically peaks after midnight when energy demands are low, excess energy must be stored until needed. An additional source of battery demand will stem from the transition away from internal combustion engines in favor of electric vehicles (EV), which by itself will require a massive increase in battery production.

MainePERS has invested in a number of companies seeking to enable this transition. Examples include Helion Energy, which is seeking to develop the first commercial fusion power plant to provide low-cost, zero-carbon electricity, and Form Energy, which aims to develop a long-duration utility-scale energy storage system using technology that is more cost effective than today's lithium ion batteries.

Fossil Fuels

While MainePERS has exposure to fossil fuels-based energy producers in both its public and private market investments, these investments have come to represent a smaller proportion of our overall investments over time for two reasons. First, because of our passive index-based approach to investing in public equities, the value of our public holdings of fossil fuel stocks generally mirrors the role these companies play in the broader economy. As this role shrinks, these public companies naturally become a smaller part of the MainePERS portfolio. The second reason resides in our private market investments and is related to market opportunities. MainePERS is an investor in a number of actively managed private market funds that allow the managers to invest wherever they find the most attractive opportunities. Our experience over the last several years is that these opportunities have generally been found in renewables and industries related to clean power, rather than in fossil fuel-related industries.

Mining

Although mining activities can sometimes be controversial, there is no question that implementing best management practices in conjunction with constantly improving mining practices can minimize environmental impacts. MainePERS invests in firms that demonstrate wise-use principles and seek to ensure observance of ESG best practices. For example, a recent MainePERS mining investment achieved Net Zero Carbon Neutral Status, the first mining site in Europe to do so.

Campus Utility

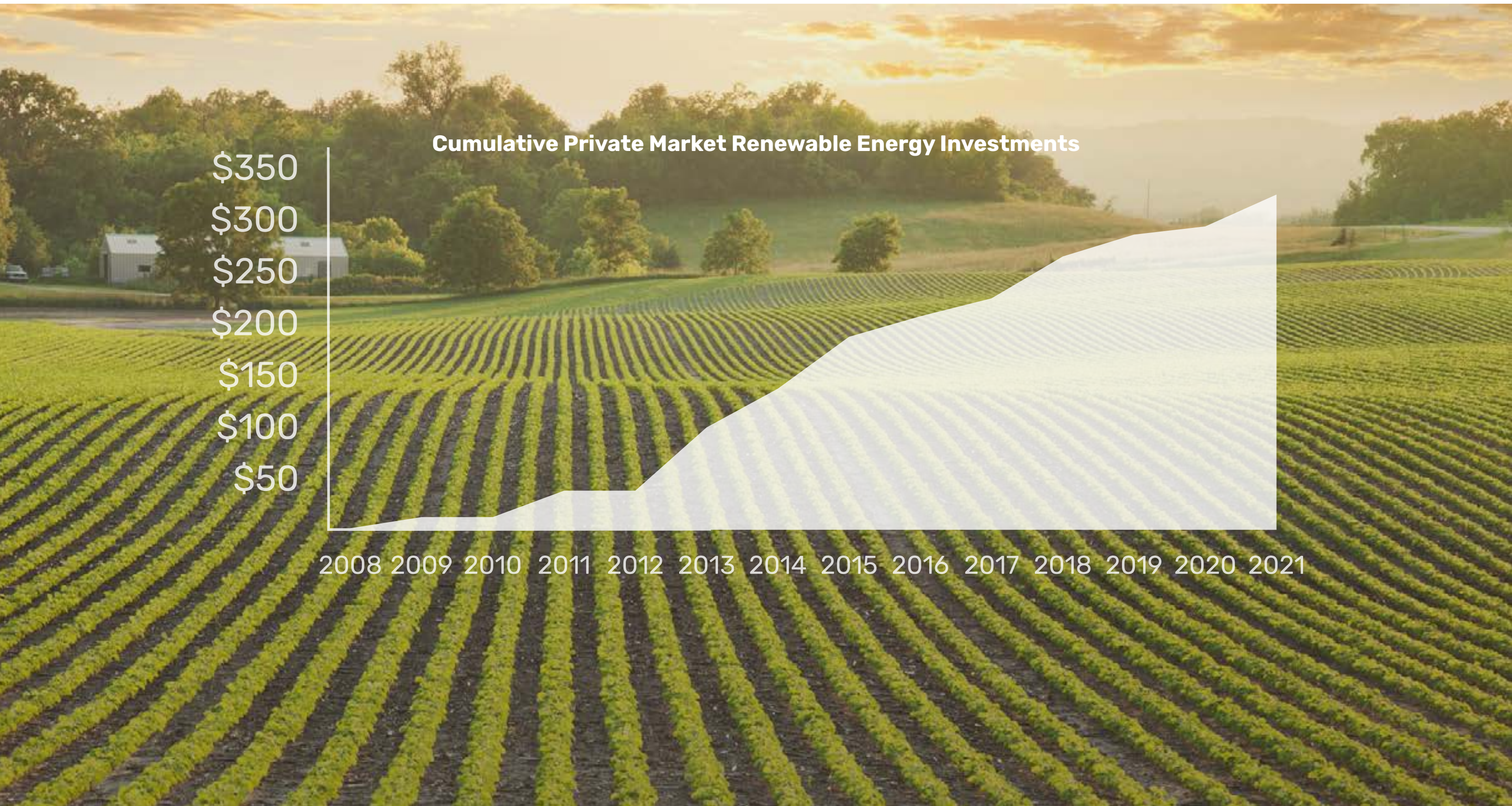
MainePERS private market Infrastructure portfolio includes campus utility investments, including the University of Iowa Utility System, which aims to be a coal-free campus by 2025. This particular project has won several awards, including the 2020 Infrastructure Investor Energy Deal of the Year for North America.

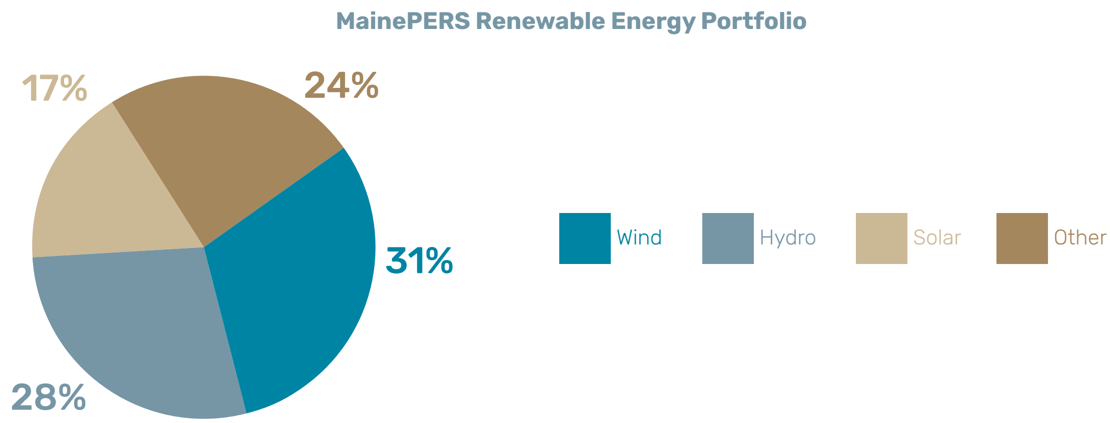
Water

MainePERS understands that many of the sustainability issues facing society revolve around use of water. Critical water-related risks exist for large populations in both developed and undeveloped countries, and MainePERS supports partners that are helping develop solutions to these problems. Among these problems is water quality. One solution, among many others, that MainePERS has supported in this arena are water treatment solutions.

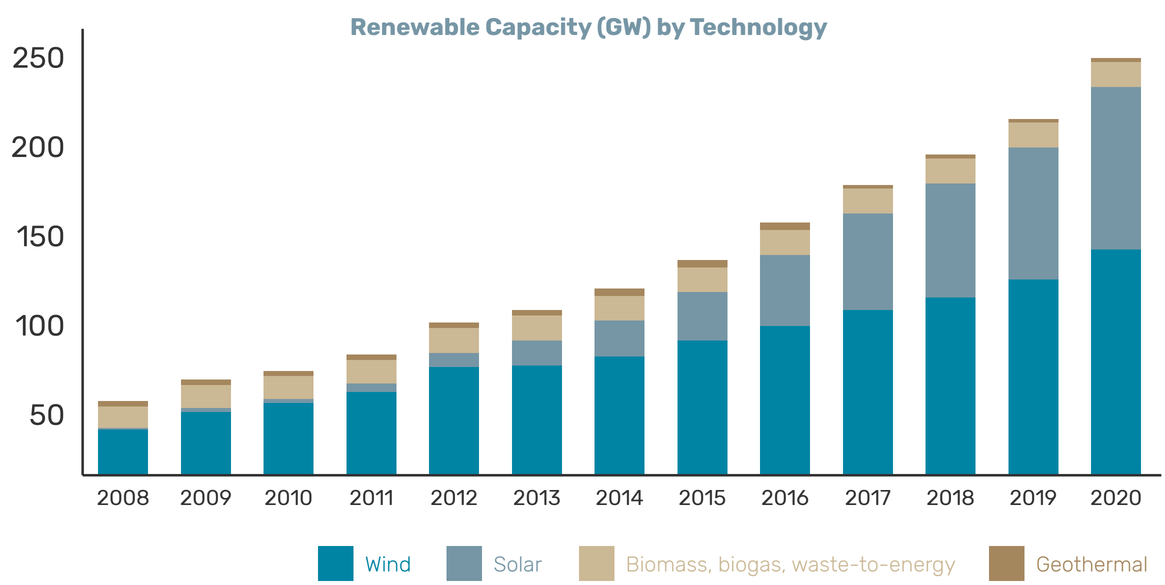
Renewable Energy

MainePERS invests in Renewable Energy across its portfolio. Recent investments include hydro, solar, biomass, geothermal and wind projects around the world. MainePERS has invested \$323 million in renewables through private market investments. This includes three direct co-investments totaling \$47 million in renewable energy generation projects.





The largest growth in private MainePERS renewable energy investments since 2012 has been in wind energy, followed by solar. This is consistent with US trends for installation of new renewable energy generation capacity:



REAL ESTATE

ESG IN ACTION

MainePERS is an investor in New York City's Stuyvesant Town / Peter Cooper Village. This is the first New York private multi-family residential community to be LEED Platinum certified. Blackstone, our investment partner, has focused on tenant satisfaction and other sustainability measures resulting in an 85% reduction in wait times on maintenance requests and 50 tons of recyclables and 5 tons of compost safely handled each week.

As part of the due diligence and monitoring process for real estate investment partners who buy, hold, and sell commercial and residential real estate, MainePERS examines the following ESG factors:

Environmental

These factors include the degree to which building energy, water, and waste practices support renewable energy innovation and lead to energy conservation and expense savings. Additionally, many of these properties achieve "LEED", "ENERGY STAR", or such measures of green building practices, and some have earned recognition as major achievements. Many of MainePERS' real estate partners have begun to review and assess the resilience of properties to climate risks.

Social Impact

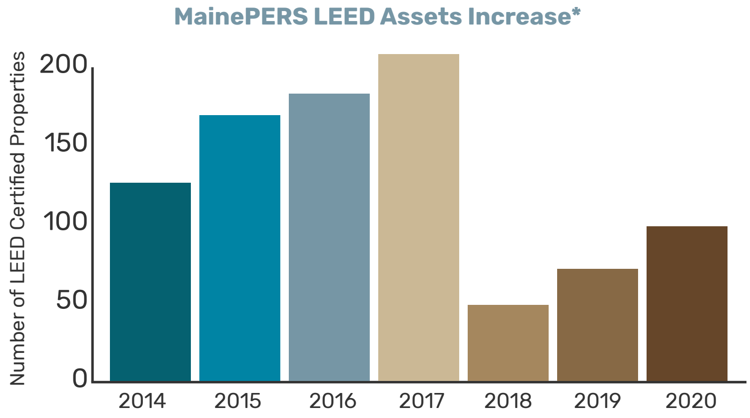
These factors include the degree to which regular engagement with stakeholders such as employees, tenants, and the community result in strong stakeholder relations.

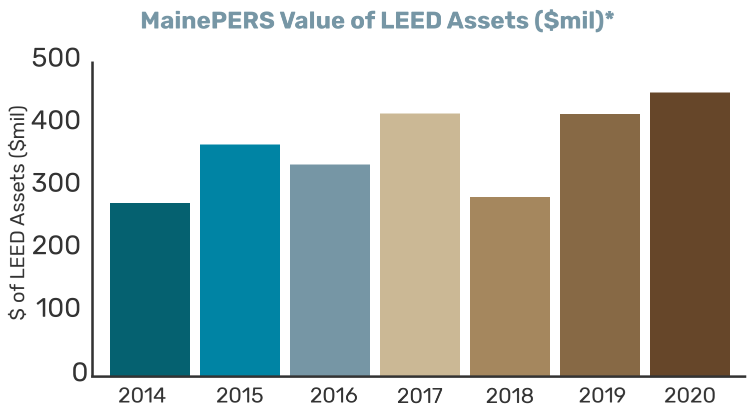
Governance

These factors include the degree to which company management reflects good governance principles including transparency in disclosing and managing potential conflicts of interest and accountability to investors and stakeholders.

MainePERS tracks participation in the Global Real Estate Sustainability Board (GRESB), a reporting framework for ESG performance. Currently, all five of MainePERS' open-end real estate equity partners are reporting members of GRESB.

* In 2018, MainePERS reallocated capital in the Real Estate portfolio, and consolidated the number of managers used. This resulted in a drop in the number of individual properties held, including properties with LEED certification.





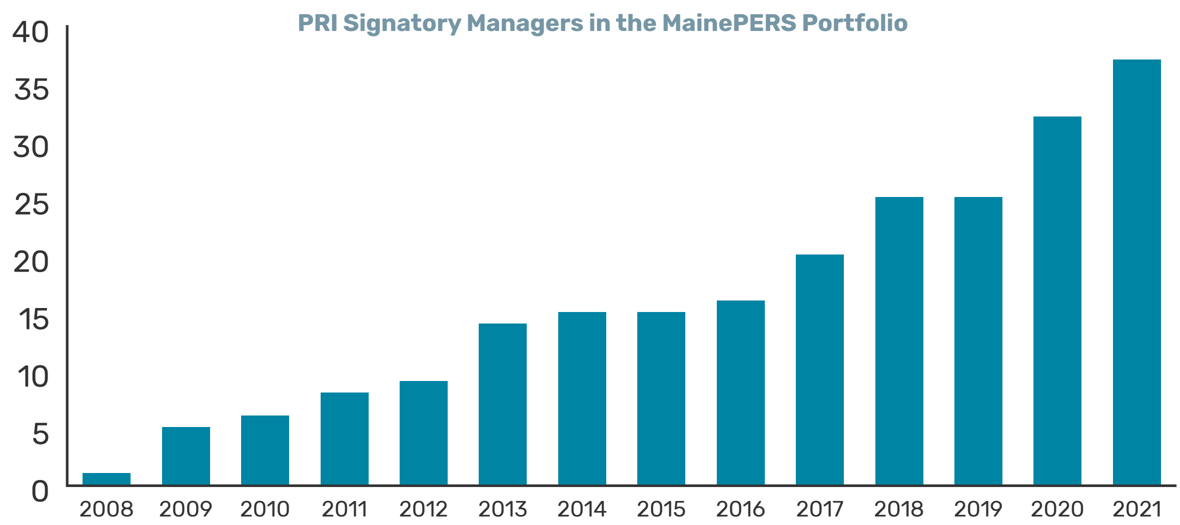
ESG METRICS

PRI | Principles for Responsible Investment

PRI is a UN-supported organization that works with investors and asset managers around the world. PRI signatories commit to incorporating ESG issues into investment analysis and asset ownership and to appropriate levels of ESG-related disclosures.

As shown below, the number of managers in the MainePERS portfolio that have signed on to these Principles for Responsible Investment has grown steadily over time.

As of fiscal year end 37 managers, with investment responsibility for over 70% of MainePERS assets, were PRI signatories.



Environmental Metrics

The development and reporting of ESG-related metrics remains nascent, and such metrics are primarily available only for publicly listed companies. In this section we provide environmental metrics for the public equity portion of MainePERS' portfolio. This reporting will be expanded in future years as these metrics become available for additional asset classes.

As discussed earlier, MainePERS employs an indexing approach to its public equity investments. This approach allows MainePERS to obtain broad exposure to global stock markets at very low cost. By "buying the market," MainePERS is invested in the shares of over 5,000 companies spread across 50 developed and emerging markets. As a result, the characteristics of MainePERS' equity holdings mirror those of the benchmarks that the portfolio tracks. For example, the US Equity portion of the portfolio is indexed to the Russell 3000 Index. This means that the features and characteristics of MainePERS' US equity holdings match those of the index. For example, if aggregate price-to-earnings (P/E) ratio of the index equals 23, then the US portion of MainePERS' equity holdings will also have a P/E ratio of 23. This correspondence also holds for other features, including ESG-related metrics.

The below table contains environmental metrics for those global equity benchmarks to which MainePERS' equity portfolio is indexed. These metrics are based on information found at Fossil Free Fund's website.

	Russell 3000 Index	MSCI All Country World Index ex U.S.
Total CO2 Emissions / $1m invested [1]	80	210
Emissions Intensity [2]	140	240

(1) Annual tons of Scope 1 and Scope 2 CO2 equivalent emissions per $1m invested value.

(2) Annual tons of Scope 1 and Scope 2 CO2 equivalent emissions per $1m revenue.

As of 6/30/21, MainePERS held \$3.2 billion of U.S. equities and \$2.3 billion of non-U.S. equities, which represents approximately 0.007% of the total value of these indexes. Applying these dollar amounts to the benchmark metrics contained on the prior page allows us to estimate the total CO2 equivalent emissions (Scope 1 and 2) related to MainePERS' public equity investments as 739,000 metric tons. MainePERS' portfolio metrics, both environmental and otherwise, should be viewed as being in line with global benchmarks, since we are invested in benchmarks that effectively comprise all companies listed in global markets other than "frontier" markets.

Board Responsibilities – Investments and Administration

2.6 – Environmental, Social and Governance Policy

Date Adopted. 1/8/15
Date Amended: May 11, 2017; November 18, 2021

Policy

The MainePERS Board of Trustees considers material environmental, social, and governance (ESG) risks and value creation opportunities critical for inclusion in its due diligence and ongoing monitoring of investments subject to its fiduciary duties, constitutional requirements and in accordance with laws and regulations. The MainePERS Board of Trustees directs the Chief Executive Officer and MainePERS Investment Team to incorporate ESG considerations into all investments considered or made by MainePERS following the adoption date of this policy, and to examine opportunities for ESG integration in existing investments.

MainePERS acknowledges that it will not always be feasible to ensure a particular investment's integration of ESG considerations, especially in cases where MainePERS is a minority owner and has limited ability to influence the organization. In these cases, the MainePERS Investment Team shall engage organizations with which it currently invests to strongly consider relevant ESG-related issues. In addition, MainePERS will consider its ability to influence ESG considerations when weighing prospective investments.

The MainePERS Board of Trustees shall annually review implementation of this policy and update or revise this policy as appropriate.

This policy shall also apply to investment consultants hired by MainePERS to provide guidance on investment due diligence matters.

Statutory/Legal Provisions

- Me. Const. art. IX § 18
- 5 M.R.S. §§ 1957, 17102 and 17103

Roles and Responsibilities

The Chief Executive Officer shall ensure that the MainePERS Investment Team integrates this policy into the investment due diligence process. The MainePERS Chief Investment Officer and Deputy Chief Investment Officer shall ensure that material ESG issues are continually reviewed, revised and integrated by the investment team in the due diligence process. A report describing the implementation of this policy, including recommendations for updates or revisions to this policy, will be provided to the Trustees at the December Board meeting each year. The report must also include commonly available environmental performance metrics on the environmental effects of MainePERS' investments.

ESG Due Diligence

MainePERS believes that organizations that understand the benefit of and openly practice sound environmental, social and governance business practices create strong business models and investment opportunities. Consistent with its fiduciary duties, constitutional requirements and in accordance with laws and regulations, MainePERS shall:

1. Maintain awareness of new and existing key ESG considerations and their impact on investment valuation, and update the due diligence process used to identify material ESG issues accordingly.
2. Examine and understand each potential or existing investment's material ESG risk exposure and use this knowledge when evaluating potential investments and during the duration of investment ownership.
3. Be accessible to, and engage with, relevant stakeholders.
4. Encourage and support the adoption and implementation of sound environmental, social, and governance practices by companies and managers in which MainePERS invests.
5. Encourage governance structures that provide appropriate levels of oversight in the areas of audit, risk management, and potential conflicts of interest.
6. Encourage MainePERS investments, and MainePERS business partners to commit to aligning their operations and strategies with the United Nations Global Compact's principles regarding human rights, labor, environment, and anti-corruption.
7. Provide timely and transparent information accessible by stakeholders on the matters addressed in this policy.

ENGAGEMENT POLICY

2.7 – Engagement

Date Adopted: February 11, 2016
Date Amended: October 11, 2018

Policy

MainePERS is the fiduciary for funds it is assigned to manage. MainePERS shall be a good steward for the funds entrusted to it, managing and investing these funds as a "prudent investor" in accordance with the "exclusive benefit rule" and the laws and Constitution of the State of Maine. MainePERS shall also promote the long-term success of companies with which the System invests through engagement activities.

Statutory/Legal Provisions

- Me. Const. art. IX, § 18.
- 5 M.R.S. §§ 17102, 17103, 17435; 18-B M.R.S. § 801, *et seq.* (Maine Uniform Trust Code); 18-B M.R.S. § 901, *et seq.* (Maine Uniform Prudent Investor Act).
- 5 M.R.S. §§ 17153(4).
- Restatement (Third) of Trusts § 78(1) (2007) (the "sole interest rule").
- The Employee Retirement Income Security Act ("ERISA"), codified at 29 U.S.C. § 1002, *et seq.*, provides a description of the standard of care that applies to trustees of private sector retirement plans. Although the System as a public retirement plan is not specifically governed by the fiduciary duty standard set forth in ERISA, courts will often consider the standard set forth in ERISA when addressing public pension plan issues. Under ERISA, a fiduciary must act with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person (expert) acting in a like capacity would act. This statutory standard is derived from the common law of trusts, which is applicable in the State of Maine.

Engagement

Engagement is encouraging long-term success and growth of publicly traded companies with whom MainePERS invests through activities such as:

- Direct engagement
- Participating in or sponsoring shareholder litigation
- Proxy voting

DIRECT ENGAGEMENT

MainePERS will maintain a direct engagement effort consistent with the need for and resources available to encourage the publicly traded companies in its portfolio to achieve long term growth and success, balancing the long term focus of good stewardship with the short term challenges the company faces. Direct engagement opportunities may be based on continuous monitoring of its investments including investment analysis, trade publications, trade organizations, or coordination with other institutional investors.

Direct engagement includes written and oral communication to companies, including attending shareholder meetings and sponsoring shareholder resolutions in unusual circumstances.

SHAREHOLDER LITIGATION

MainePERS will participate in shareholder litigation only to the extent that participation is likely to benefit MainePERS members as pension beneficiaries. MainePERS generally will not assume the role of lead plaintiff in a securities class action unless no other investor with interests similar to MainePERS and sufficient resources to support the litigation is willing to serve as lead plaintiff and the System otherwise will lose the benefit of the litigation to members.

PROXY VOTING

MainePERS will vote its proxies in the best interests of its members as pension beneficiaries. This will generally mean focusing on good stewardship by the companies with which MainePERS invests, including:

- Voting to optimize each company's value to shareholders, balancing the long-term focus of good stewardship with the short-term challenges the company faces. Good stewardship includes establishment of effective governance and management practices, responsibility to employee and customer welfare, and responsibility to the environment;
- When there is a conflict between long- and short-term interests, voting shall be in favor of proposals that maximize shareholder control consistent with effective business operations of the company;
- Refraining from voting to further the interests of any group other than the best interests of MainePERS members as pension beneficiaries.

The Executive Director and Chief Investment Officer shall implement this direction by engaging a proxy voting agent to vote shares of stock owned by MainePERS. The MainePERS investment team shall create, maintain, and update general guidance in the following areas that the proxy voting agent can use to map to proxy votes available to MainePERS:

- Management resolutions
    - Elections of officers
    - Ratification of auditors
    - Governance structure and shareholder rights
    - Compensation
- Shareholder proposals
    - Environment
    - Social matters
    - Governance
    - Compensation
- Mergers and proxy contests

The MainePERS Investment team shall work with the proxy voting agent to determine MainePERS' position on proxies not directly covered by the implementation guidance. The Investment team shall monitor the proxy voting agent's implementation of the MainePERS guidance and report semi-annually to the Board of Trustees. The Board may meet with the proxy voting agent from time to time to discuss MainePERS' votes.

CONCLUSION

For further information please contact
esg@mainepers.org

MAINEPERS

BOARD OF TRUSTEES INVESTMENTS MEMORANDUM

TO: BOARD MEMBERS

FROM: JAMES BENNETT, CHIEF INVESTMENT OFFICER

SUBJECT: **CO-INVESTMENT REVIEW**

DATE: JANUARY 6, 2022

As a follow-up to last month's co-investment discussion, this memo reviews the current co-investment program guidelines and recommends several changes.

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

RECOMMENDATION

That MainePERS modify the co-investment program by adopting the below guidelines. If approved, these guidelines would supersede those approved in 2013, 2015, and 2017.

Cliffwater and ORG concur with this recommendation.

BACKGROUND

For this purpose, co-investment refers to an additional investment made by MainePERS into an investment being made by a fund in which MainePERS is an LP. MainePERS' private markets co-investment program was approved by Trustees in February 2013 and authorized the Investment Team to make up to $200m in private equity and infrastructure co-investments. The program was expanded in January 2015 to $300m and to allow co-investment in real estate. In June 2017, the program was increased to a 5% allocation, permitted co-investments in all private market asset classes, and set a maximum of $100m aggregate co-investment in a single asset class with any single General Partner. This 5% limit is contained within the aggregate target allocation to private markets (currently 47.5%), and is not in addition to that target.

To-date the Investment Team has committed $786m across 30 private equity co-investments, 21 alternative credit co-investments, 10 infrastructure co-investments, 5 real-estate co-investments, and 2 natural resources co-investments. The program's returns have been attractive, with a since-inception IRR of nearly 17%, and the program has allowed the Investment Team to deploy capital at lower fees while gaining deeper insight into the due diligence processes employed by our General Partners.

CO-INVESTMENT GUIDELINES AND CURRENT STATUS

Changes to current authority are noted below in italics.

Target Allocation	~~5.0%~~ 7.5% *Co-investments totaled around 4% of total System assets as of September 30th, 2021, and increasing the target allocation will allow continued deployment. Note that this co-investment allocation would continue to be included within the existing 47.5% private market allocation, and is not additive.*
Asset Classes	**Co-investment may be made in each of the private market asset classes.** *No change.*
Discretion	**Investment Team has discretion to make co-investments, in conjunction with the asset class consultant.** *No change.*
Signatories	**The Chief Executive Officer~~Executive Director~~, Chief Investment Officer, and General Counsel are authorized as signatories to execute documents in connection with co-investments.** *Modified to reflect updated titles.*
Permissible Partners	**Unless otherwise authorized, co-investments will only be made alongside Funds in which the System is a current investor.** *No change.*
Size Limits	**Unless otherwise authorized, maximum of $25m invested into any single co-investment.**

	No change. **Unless otherwise authorized, maximum of ~~$100m~~ $200m aggregate co-investment in a single asset class with any single General Partner.** *This change would allow the System to continue participating in high quality co-investment opportunities. Currently, co-investment invested capital amounts exceed $50m with four General Partners, while one of these is approaching the $100m limit. The Investment Team will provide additional co-investment portfolio reporting to Trustees for those General Partners with more than $100m of aggregate co-investment in any single asset class.*

MAINEPERS

BOARD OF TRUSTEES INVESTMENTS MEMORANDUM

TO: BOARD MEMBERS

FROM: JAMES BENNETT, CHIEF INVESTMENT OFFICER

SUBJECT: **PRIVATE MARKETS ACTIVITY**

DATE: JANUARY 6, 2022

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

1. FUNDS APPROVED BY THE BOARD: CLOSED DURING PAST 12 MONTHS

Below is a list of funds approved by the board during the past 12 months, showing the commitment size approved by the board and the allocation received by MainePERS.

	Board Approval			Commitment		
Fund	Date		Amount	Date		Amount
Bain Real Estate II	2/11/2021	$	50,000,000	3/5/2021	$	50,000,000
HBK Multi-Strategy	2/11/2021	$	100,000,000	3/30/2021	$	100,000,000
BCV Coinvest III	3/11/2021	$	15,000,000	4/1/2021	$	15,000,000
Technology Impact Fund II	3/11/2021	$	40,000,000	4/13/2021	$	40,000,000
Meridiam Europe IV	***3/11/2021***	***€***	***85,000,000***	***4/16/2021***	***€***	***75,000,000***
Pathlight II	4/8/2021	$	75,000,000	4/22/2021	$	75,000,000
Charterhouse XI	4/8/2021	€	40,000,000	4/23/2021	€	40,000,000
Hellman & Friedman X	4/8/2021	$	45,000,000	5/10/2021	$	45,000,000
KKR North America XIII	***5/13/2021***	***$***	***45,000,000***	***6/25/2021***	***$***	***40,000,000***
Technology Impact Growth Fund II	6/10/2021	$	40,000,000	8/6/2021	$	40,000,000
Cube Infrastructure III	***3/11/2021***	***€***	***85,000,000***	***8/16/2021***	***€***	***75,000,000***
High Street Real Estate Fund VII	7/8/2021	$	35,000,000	8/16/2021	$	35,000,000
Riverside Micro-Cap VI	8/12/2021	$	45,000,000	8/26/2021	$	45,000,000
Hines US Property Partners	8/12/2021	$	200,000,000	9/9/2021	$	200,000,000
Deerpath Capital VI	9/9/2021	$	75,000,000	9/30/2021	$	75,000,000
Summit Partners Growth Equity XI	9/9/2021	$	45,000,000	10/1/2021	$	45,000,000
General Catalyst Group XI	10/14/2021	$	50,000,000	10/29/2021	$	50,000,000
Angelo Gordon Direct Lending IV Annex	11/18/2021	$	50,000,000	11/18/2021	$	50,000,000
Ares Senior Direct Lending Fund II	12/9/2021	$	100,000,000	12/10/2021	$	100,000,000
Kelso Investment Associates XI	10/14/2021	$	45,000,000	12/22/2021	$	45,000,000
Varadero Master Fund	12/9/2021	$	100,000,000	1/3/2022	$	100,000,000
Rolling 12-Month Total		**$**	**1,407,000,000**		**$**	**1,378,000,000**

* ***Bold italic*** indicates a commitment less than the amount approved by the Board.

2. FUNDS APPROVED BY THE BOARD: NOT YET CLOSED

There are no outstanding approved funds that have yet to close.

3. NEW FUNDS UNDER CONSIDERATION

Real Estate Re-balancing. In conjunction with the previously communicated planned re-balancing of the real estate portfolio, the Investment Team will be conducting meetings with the management teams of Invesco U.S. Income Fund and Smart Markets Fund. Each of these is an existing investment in the System's real estate portfolio. These meetings, to which the Trustees are invited, will be held via Zoom on Tuesday, January 25th.

SMART MARKETS FUND: 9:00 AM

The Fund is an open-ended Delaware limited partnership investing in U.S. commercial and residential real estate in "smart locations," which translates as cities with a university presence, technology jobs, medical employment, and the like. MainePERS was one of the Fund's founding limited partners in 2013. The Fund has performed well by pursuing smaller transactions in targeted markets that have income in excess of the National Council of Real Estate Investment Fiduciaries Open-ended Diversified Core Equity (ODCE) benchmark, having a large weighting to industrial properties, de-emphasizing conventional office properties since inception, and using moderate leverage.

INVESCO U.S. INCOME FUND (USIF): 9:45 AM

The partnership is an open-ended Delaware limited partnership buying and holding (generally for 5-10 years) commercial and residential real estate in the United States. MainePERS was a founding Fund investor in 2014. USIF emphasizes smaller transaction sizes in secondary U.S. locations with durable income that is at least 150 basis points in excess of the ODCE benchmark. The Fund's leverage, at around 40% loan-to-value on a portfolio wide basis, is higher than typical ODCE funds, but prudent in the view of the Investment Team given the strong cash flowing nature of the underlying properties.

MAINEPERS

BOARD OF TRUSTEES INVESTMENTS MEMORANDUM

TO: BOARD MEMBERS

FROM: JAMES BENNETT, CHIEF INVESTMENT OFFICER

SUBJECT: **INVESTMENT REVIEW**

DATE: JANUARY 6, 2022

At the onset of the COVID-19 pandemic, a compressed version of the Monthly Investment Review was adopted in response to the shift to virtual meetings. The compressed version retained all of the key data from the full version and added some new content, while removing portions considered less crucial. At this point, with virtual meetings becoming “normal,” the Investment Team is reintroducing the full-length version of the Monthly Investment Review.

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 $18.8 billion, up from last month’s $18.6 billion.
- Monthly return of 1.3%.
- Fiscal and calendar year-to-date returns of 4.9% and 16.4%, respectively.

Investment Review
January 13, 2022

MainePERS
PUBLIC EMPLOYEES RETIREMENT SYSTEM

Investment Objective

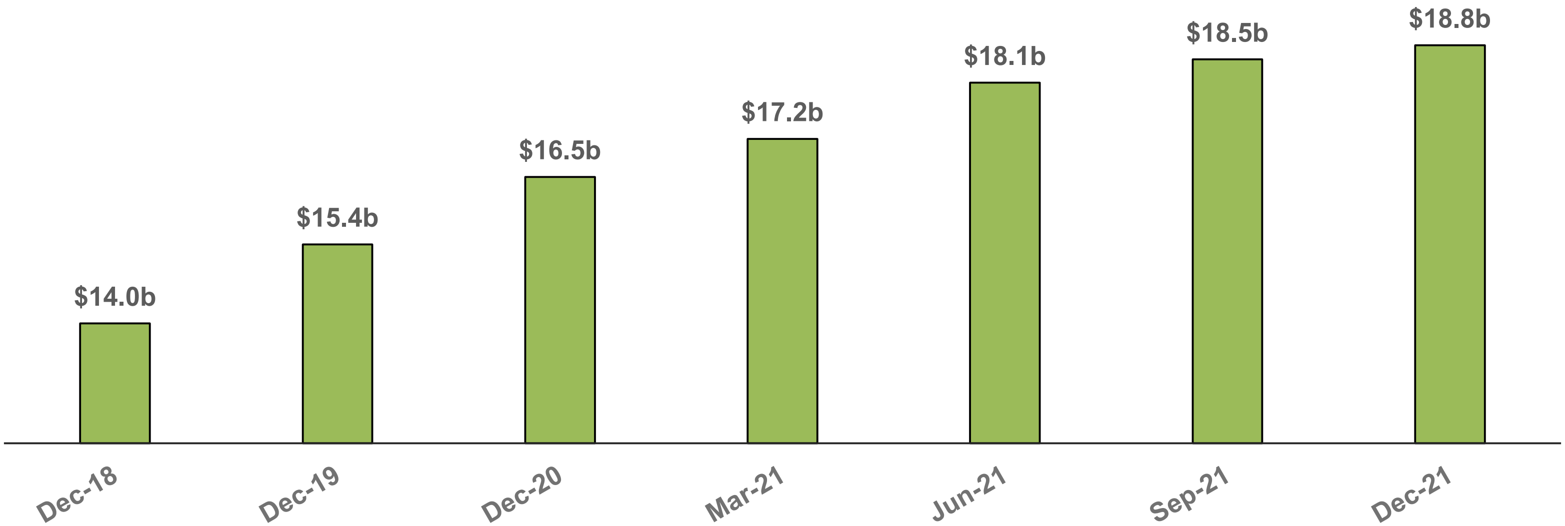
MainePERS' investment objectives balance the System's twin goals of generating investment returns (to ensure growth of the trust funds) and minimizing investment risks (loss of capital and cash flow shortfalls).

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.

December 2021 Performance (Preliminary)

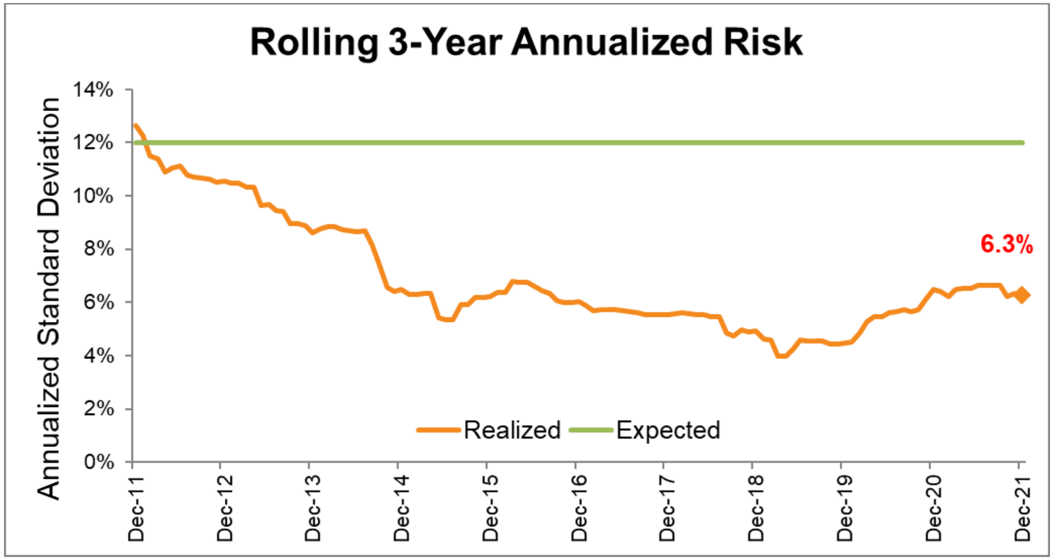
The **preliminary** fund value at the end of December is $18.8 billion.



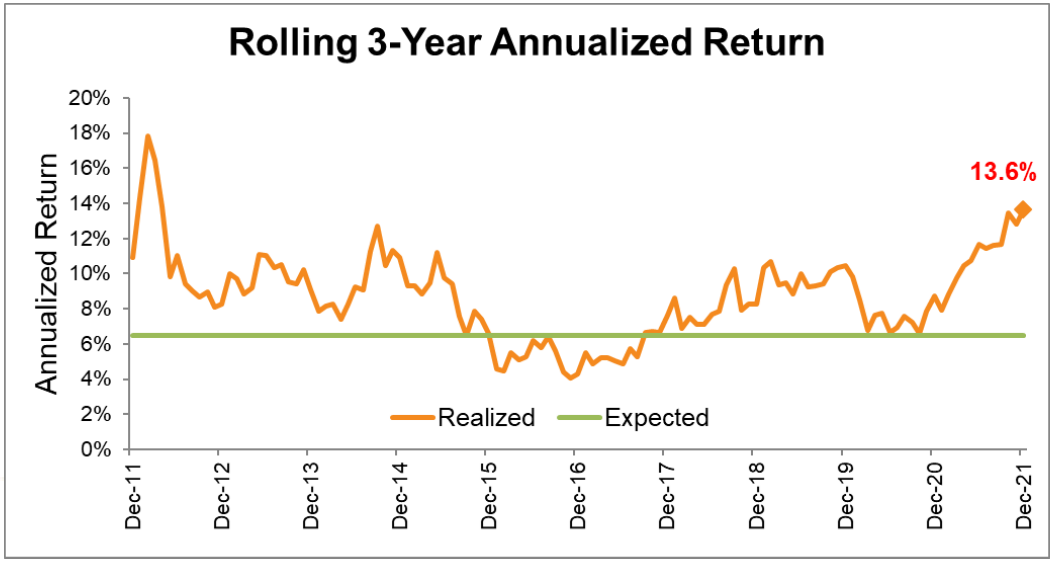
Fund and Benchmark Returns

	Dec-21	2021	FYTD 2022
Total Fund	1.3%	16.4%	4.9%
Russell 3000	3.9%	25.7%	9.2%
MSCI ACWI ex-USA	4.1%	7.8%	-1.2%
Barclays Agg. Bond Index	-0.3%	-1.5%	0.1%

Investment Objective Measurement: Risk and Return



Recent fund risk remains well below targeted risk level.



Investment returns continue to exceed expected values.

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.

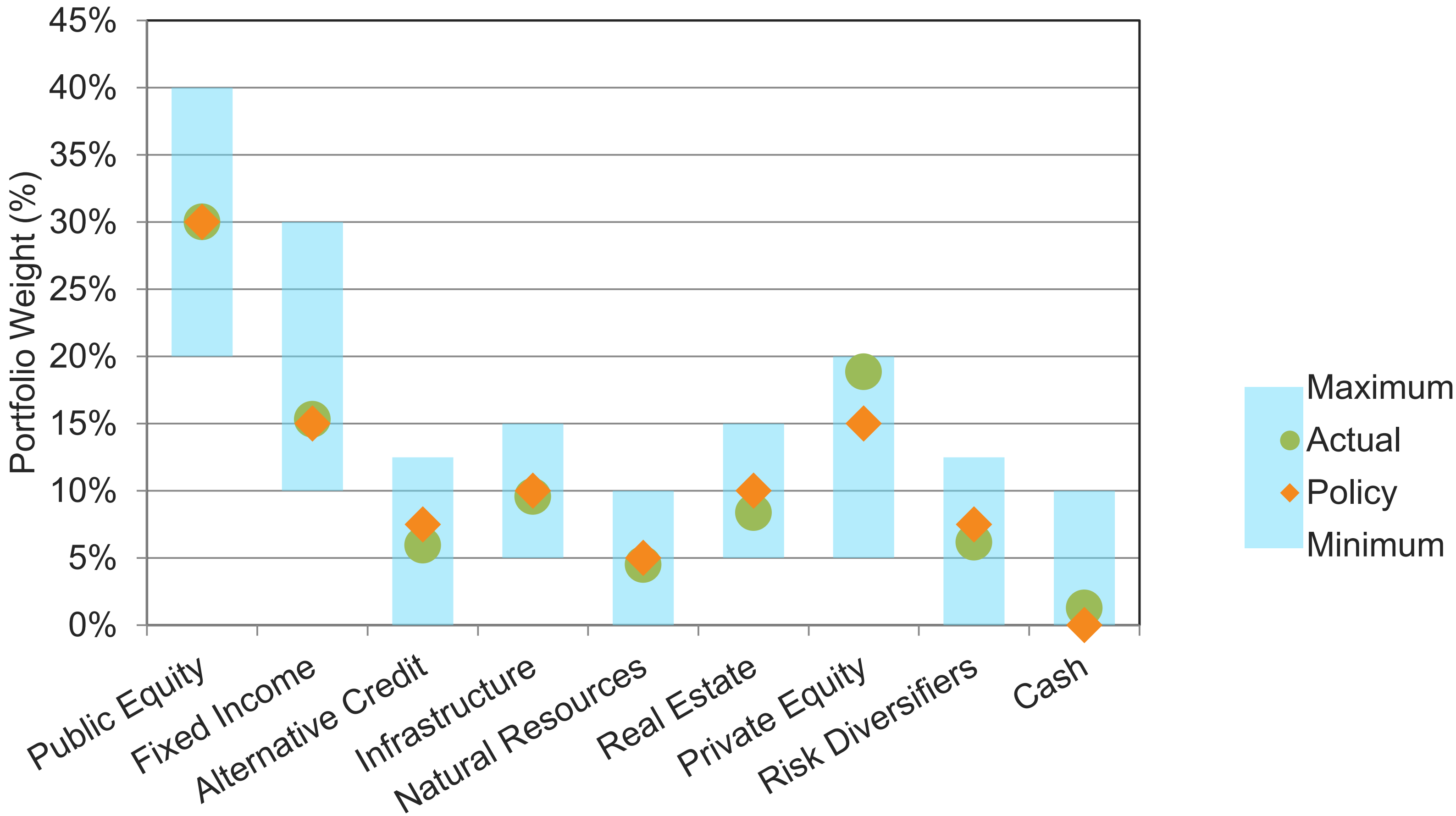
December 2021 Asset Allocation (Preliminary)

Assets (Millions)		Value	% of Fund	Policy %
MainePERS Portfolio	**$**	**18,783**	**100.0%**	**100.0%**
Domestic Equity	$	3,409	18.1%	18.4%
International Equity	$	2,226	11.9%	11.6%
Fixed Income	$	2,875	15.3%	15.0%
Alternative Credit	$	1,119	6.0%	7.5%
Infrastructure	$	1,799	9.6%	10.0%
Natural Resources	$	846	4.5%	5.0%
Private Equity	$	3,540	18.8%	15.0%
Real Estate	$	1,574	8.4%	10.0%
Risk Diversifiers	$	1,158	6.2%	7.5%
Cash	$	238	1.3%	0.0%

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

Private Market assets in aggregate comprise 47.3% of the overall portfolio, below the 47.5% policy weight.

December 2021 Asset Allocation (Preliminary)



Derivatives and Leverage

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: December 2021

Description	FYTD 22	FY 21	FY 20	FY 19	FY 18
Investment Mgmt. Fees	$60,833,771	$118,561,261	$124,480,394	$106,398,871	$92,410,866
Securities Lending Fees [1]	763,237	1,653,172	2,239,396	2,226,826	3,714,108
Consulting Fees	560,000	1,120,000	1,120,000	1,120,000	1,120,000
Broker Commissions [2]	15,021	52,364	37,461	28,970	38,168
Placement Agent Fees	0	0	0	0	0
Total	**$62,172,029**	**$121,386,797**	**$127,877,251**	**$109,774,667**	**$97,283,142**
Percentage of Fund	**0.66%**	**0.67%**	**0.87%**	**0.74%**	**0.68%**

1. Securities Lending Fees are through 11/30/2021
2. Actual paid commissions reported by JP Morgan

Securities Lending: November 2021

	Average Lendable Assets	Average Assets On Loan	Total Sec Lending Revenue	Revenue Split	MainePERS Net Income	MainePERS Net Income, FYTD
BlackRock						
Fixed Income	$2,096,783,850	$1,427,356,399	$183,374	60%/40%	$110,024	$560,366
Total Equity	$2,126,033,583	$252,097,066	$133,671	60%/40%	$89,358	$697,998
Total Blackrock	$4,222,817,433	$1,679,453,465	$317,045		$199,382	$1,258,364
JP Morgan						
Domestic Equities	$3,359,038,766	$183,606,334	$25,465	85%/15%	$21,649	$110,868
Total	**$7,581,856,199**	**$1,863,059,799**	**$342,510**		**$221,031**	**$1,369,232**

Total Annualized Securities Lending Income, FY 2022: $3,286,157 (0.02%, or 1.7 bps)

Total Actual Securities Lending Income, FY 2021: $3,053,425 (0.02%, or 2.0 bps)

Liquidity Schedule: December 2021

Term	Market Value	Percent of Portfolio
Liquid[1]	$8,748m	46.6%
Semi-Liquid[2]	$2,307m	12.3%
Illiquid[3]	$7,728m	41.1%
Total	**$18,783m**	**100.0%**

<u>Sources and Uses of Liquidity</u>

Private Markets Activity	Last 12 Months Actual	Next 12 Months Projection
Capital Contributions	-$1,414m	-$900m
Distributions	$1,833m	$1,580m
Net Private Markets Activity	**$419m**	**$680m**
Benefit Payments	**-$415m**	**-$420m**
Net Cash Flows	**$4m**	**$260m**

[1]Liquid assets includes public equities and public fixed income
[2]Semi-liquid assets includes risk diversifiers, open-end real estate investments, and listed alternative credit funds
[3]Illiquid assets includes closed-end alternative credit, infrastructure, natural resources, private equity, and real estate funds

MainePERS Alternative Investments Summary

as of 12/31/2021	# of Funds	# of GP Relationships
Alternative Credit	18	11
Infrastructure	32	11
Natural Resources	14	9
Private Equity	115	33
Real Estate	32	18
Risk Diversifiers	8	6
Total*	**219**	**81**

*GP Total may not add due to overlapping relationships

To date, MainePERS has invested in 219 funds, and has 81 distinct manager relationships.

MainePERS Alternative Investments Summary

(in $millions) *as of 12/31/2021*	Current Market Value Dollars		Current Market Value % of Fund	Target	Unfunded Commitment Dollars		Unfunded Commitment % of Fund
Alternative Credit	$	1,119	6.0%	7.5%	$	485	2.6%
Infrastructure	$	1,799	9.6%	10.0%	$	890	4.7%
Natural Resources	$	846	4.5%	5.0%	$	217	1.2%
Private Equity	$	3,540	18.8%	15.0%	$	1,343	7.1%
Real Estate	$	1,574	8.4%	10.0%	$	573	3.1%
Risk Diversifiers	$	1,158	6.2%	7.5%	$	-	0.0%
Total Alternatives	**$**	**10,036**	**53.4%**	**55.0%**	**$**	**3,508**	**18.7%**

For more details please see Private Markets Investment Summary at http://www.mainepers.org/Investments/Investments.htm

Note: Market values shown above are preliminary estimates. Private market asset values are based on 6/30/21 values, adjusted for subsequent cash flows.

(in $millions) *as of 12/31/2021*	Private Market Commitments by Vintage Year 2019		2020		2021		2022		3-Year Average[1]	
Alternative Credit	$	200	$	275	$	410	$	-	$	295
Infrastructure	$	350	$	235	$	180	$	-	$	255
Natural Resources	$	175	$	-	$	-	$	-	$	58
Private Equity	$	240	$	276	$	438	$	45	$	318
Real Estate	$	230	$	80	$	285	$	-	$	198
Total Commitments	**$**	**1,195**	**$**	**866**	**$**	**1,313**	**$**	**45**	**$**	**1,125**

[1]3-Year Average: 2019-2021

MainePERS Private Market Investments Summary: 06/30/2021

Asset Class Summary	Commitment (A)	Date of Commitment	Amount Contributed (B)	Total Distributions (C)	Current Market Value (D)	Total Value (C+D)	Interim Net IRR
Alternative Credit	$ 1,387,685		$ 909,815	$ 184,854	$ 895,032	$ 1,079,886	7.0%
Infrastructure	$ 3,111,675		$ 2,672,840	$ 1,829,406	$ 1,919,171	$ 3,748,577	11.0%
Natural Resources	$ 990,500		$ 969,361	$ 360,802	$ 833,080	$ 1,193,882	6.6%
Private Equity	$ 4,323,834		$ 3,712,115	$ 2,430,438	$ 3,978,743	$ 6,409,181	19.3%
Real Estate	$ 2,329,301		$ 2,176,209	$ 1,523,562	$ 1,551,386	$ 3,074,948	6.9%
Total	$ 12,142,995		$ 10,440,339	$ 6,329,062	$ 9,177,412	$ 15,506,474	

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	$ 93,685	18	$ 94,034	$ 22,709	$ 80,512	$ 103,221	7.7%
Infrastructure Co-Investments	$ 220,000	10	$ 203,059	$ 97,556	$ 205,545	$ 303,101	12.2%
Natural Resources Co-Investments	$ 32,500	2	$ 27,238	$ -	$ 44,585	$ 44,585	23.8%
Private Equity Co-Investments	$ 340,134	29	$ 333,918	$ 193,619	$ 382,728	$ 576,347	19.9%
Real Estate Co-Investments	$ 66,000	5	$ 51,732	$ 4,160	$ 51,099	$ 55,259	5.7%
Total	$ 752,319		$ 709,980	$ 318,044	$ 764,469	$ 1,082,513	

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

(all dollar amounts in thousands) Page 1

MainePERS Private Market Investments Summary: 06/30/2021

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
Mesa West Core Lending Fund	$ 100,000	6/18/2013	$ 112,524	$ 46,967	$ 113,455	$ 160,422	6.6%
Owl Rock Capital Corporation	$ 100,000	3/10/2017	$ 100,000	$ 13,088	$ 109,899	$ 122,987	7.5%
Audax Senior Debt (MP), LLC	$ 100,000	6/30/2017	$ 96,000	$ -	$ 115,197	$ 115,197	5.1%
Tennenbaum Direct Lending VIII	$ 100,000	11/30/2017	$ 100,883	$ 38,763	$ 80,052	$ 118,814	7.0%
Ares Capital Europe IV	$ 122,000	4/30/2018	$ 92,268	$ 7,530	$ 99,397	$ 106,927	9.2%
Angelo Gordon Direct Lending Fund III	$ 100,000	7/20/2018	$ 100,000	$ 20,480	$ 99,881	$ 120,362	10.5%
Global Infrastructure Partners Spectrum	$ 100,000	2/20/2019	$ 28,589	$ 7,112	$ 23,023	$ 30,135	6.7%
Solar Capital Private Corporate Lending Fund	$ 50,000	6/26/2019	$ 14,773	$ 669	$ 16,690	$ 17,360	NM
Solar Capital Debt Fund	$ 50,000	6/26/2019	$ 4,902	$ 12	$ 5,491	$ 5,503	NM
Angelo Gordon Direct Lending Fund IV	$ 100,000	1/24/2020	$ 32,500	$ -	$ 35,040	$ 35,040	NM
Silver Point Specialty Credit II	$ 50,000	1/31/2020	$ 31,635	$ 9,928	$ 24,245	$ 34,173	NM
Angelo Gordon Direct Lending Fund II	$ 25,000	3/31/2020	$ 23,749	$ 9,858	$ 19,563	$ 29,421	21.8%
Owl Rock Capital Corporation III	$ 100,000	6/19/2020	$ 38,343	$ 854	$ 39,147	$ 40,002	NM
Ares Capital Europe V	$ 122,000	9/4/2020	$ 13,751	$ -	$ 13,949	$ 13,949	NM
Pathlight Capital Fund II	$ 75,000	4/22/2021	$ 25,863	$ 6,883	$ 19,492	$ 26,374	NM
Alternative Credit Co-Investments	$ 93,685	Various	$ 94,034	$ 22,709	$ 80,512	$ 103,221	7.7%
Subtotal	**$ 1,387,685**		**$ 909,815**	**$ 184,854**	**$ 895,032**	**$ 1,079,886**	**7.0%**

(all dollar amounts in thousands)

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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
Carlyle Infrastructure Partners	$ 50,000	11/2/2007	$ 57,366	$ 64,289	$ 377	$ 64,666	2.5%
Global Infrastructure Partners	$ 75,000	3/31/2008	$ 101,173	$ 205,062	$ 750	$ 205,812	17.3%
Alinda Infrastructure Fund II	$ 50,000	9/17/2009	$ 67,723	$ 63,127	$ 11,823	$ 74,950	2.3%
Cube Infrastructure	$ 45,000	4/16/2010	$ 60,063	$ 94,272	$ 2,696	$ 96,968	8.0%
First Reserve Energy Infrastructure Fund	$ 50,000	6/30/2010	$ 59,593	$ 48,506	$ 9,956	$ 58,462	-0.5%
KKR Global Infrastructure Investors	$ 75,000	9/29/2010	$ 87,917	$ 154,040	$ 22	$ 154,061	13.1%
ArcLight Energy V	$ 75,000	10/28/2011	$ 76,031	$ 81,118	$ 21,022	$ 102,140	8.0%
Global Infrastructure Partners II	$ 75,000	12/3/2011	$ 96,257	$ 82,556	$ 79,283	$ 161,839	15.9%
Meridiam Infrastructure N.A. II	$ 75,000	9/28/2012	$ 67,337	$ 25,640	$ 107,842	$ 133,482	15.6%
IFM Global Infrastructure	$ 100,000	12/20/2012	$ 144,550	$ 208,040	$ -	$ 208,040	9.9%
Brookfield Infrastructure Fund II	$ 100,000	6/28/2013	$ 114,388	$ 60,418	$ 113,739	$ 174,157	9.5%
First Reserve Energy Infrastructure Fund II	$ 100,000	10/21/2013	$ 122,021	$ 103,584	$ 54,037	$ 157,621	18.4%
KKR Global Infrastructure Investors II	$ 150,000	10/24/2014	$ 179,897	$ 176,770	$ 120,449	$ 297,219	18.1%
ArcLight Energy VI	$ 150,000	11/25/2014	$ 159,687	$ 64,575	$ 95,716	$ 160,291	0.1%
Meridiam Infrastructure N.A. II	$ 20,000	6/30/2015	$ 13,298	$ 2,890	$ 27,564	$ 30,455	23.9%
MINA II CIP	$ 175	6/30/2015	$ 121	$ 19	$ 9,879	$ 9,898	146.6%
Meridiam Infrastructure (SCA)	$ 11,000	9/23/2015	$ 22,243	$ 8,143	$ 52,749	$ 60,892	10.1%
Meridiam Infrastructure Europe II (SCA)	$ 22,500	9/23/2015	$ 27,558	$ 11,177	$ 42,383	$ 53,561	12.1%
Stonepeak Infrastructure Partners II	$ 140,000	11/12/2015	$ 179,105	$ 119,083	$ 133,902	$ 252,984	14.7%
Carlyle Power Partners II	$ 50,000	11/19/2015	$ 51,677	$ 15,092	$ 44,083	$ 59,175	5.5%
Brookfield Infrastructure Fund III	$ 100,000	4/15/2016	$ 91,896	$ 35,929	$ 84,029	$ 119,957	10.9%
Global Infrastructure Partners III	$ 150,000	4/15/2016	$ 154,640	$ 49,559	$ 136,793	$ 186,351	7.4%
Meridiam Infrastructure Europe III SLP	$ 95,000	4/27/2016	$ 56,548	$ 11,254	$ 39,579	$ 50,833	-6.5%
EQT Infrastructure III	$ 68,000	12/3/2016	$ 81,829	$ 12,547	$ 115,538	$ 128,085	19.5%
Meridiam Infrastructure N.A. III	$ 50,000	7/12/2017	$ 6,137	$ 1	$ 4,477	$ 4,478	NM
Stonepeak Infrastructure Partners III	$ 150,000	10/13/2017	$ 117,666	$ 20,501	$ 146,920	$ 167,422	22.7%
KKR Global Infrastructure Investors III	$ 100,000	3/29/2018	$ 49,833	$ 4,186	$ 47,580	$ 51,766	NM
Cube Infrastructure II	$ 90,000	9/11/2018	$ 70,200	$ 2,319	$ 74,779	$ 77,098	6.0%

(all dollar amounts in thousands)

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EQT Infrastructure IV	$	100,000	12/17/2018	$	64,824	$	3,327	$	73,292	$	76,618	13.2%
Global Infrastructure Partners IV	$	150,000	12/21/2018	$	21,939	$	0	$	15,644	$	15,644	NM
Carlyle Global Infrastructure Opportunity Fund	$	100,000	5/1/2019	$	34,477	$	3,826	$	19,838	$	23,664	NM
Stonepeak Infrastructure Partners IV	$	125,000	5/8/2020	$	1,373	$	0	$	76	$	76	NM
GIP Sonic	$	35,000	7/31/2020	$	30,416	$	-	$	26,809	$	26,809	NM
EQT Infrastructure V	$	75,000	12/8/2020	$	-	$	-	$	-	$	-	NM
Meridiam Sustainable Infrastructure Europe IV	$	90,000	4/16/2021	$	-	$	-	$	-	$	-	NM
Infrastructure Co-Investments	$	220,000	Various	$	203,059	$	97,556	$	205,545	$	303,101	12.2%
Subtotal	**$**	**3,111,675**		**$**	**2,672,840**	**$**	**1,829,406**	**$**	**1,919,171**	**$**	**3,748,577**	**11.0%**

(all dollar amounts in thousands)

MainePERS Private Market Investments Summary: 06/30/2021

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	$ 38,985	$ 9,147	$ 47,565	$ 56,711	8.0%
Taurus Mining Fund	$ 50,000	3/27/2015	$ 41,459	$ 34,627	$ 12,763	$ 47,390	6.0%
Teays River Integrated Agriculture	$ 200,000	7/1/2015	$ 199,197	$ 28,770	$ 328,326	$ 357,096	10.8%
U.S. Farming Realty Trust III	$ 100,000	7/7/2015	$ 107,392	$ 11,057	$ 81,424	$ 92,481	-4.5%
Twin Creeks Timber	$ 125,000	1/7/2016	$ 167,893	$ 80,093	$ 86,619	$ 166,712	-0.2%
AMERRA Agri Fund III	$ 50,000	2/11/2016	$ 94,727	$ 54,627	$ 42,854	$ 97,480	1.5%
ACM Permanent Crops II	$ 35,000	5/12/2016	$ 39,063	$ 8,885	$ 23,520	$ 32,405	-8.2%
Orion Mine Finance Fund II	$ 50,000	5/25/2016	$ 99,849	$ 65,280	$ 56,570	$ 121,850	12.5%
Homestead Capital Farmland II	$ 50,000	8/8/2016	$ 52,356	$ 7,762	$ 47,559	$ 55,321	2.4%
Taurus Mining Fund Annex	$ 23,000	12/1/2016	$ 17,302	$ 16,843	$ 5,813	$ 22,657	17.8%
Denham Mining Fund	$ 35,000	6/29/2018	$ 17,598	$ -	$ 23,855	$ 23,855	15.5%
Homestead Capital Farmland III	$ 30,000	10/26/2018	$ 10,062	$ 1,757	$ 8,178	$ 9,935	NM
Silver Creek Aggregate Reserves Fund	$ 100,000	11/6/2018	$ 12,805	$ 1,093	$ 13,594	$ 14,686	NM
Taurus Mining Fund No. 2	$ 75,000	4/18/2019	$ 43,434	$ 40,862	$ 9,855	$ 50,717	23.0%
Natural Resources Co-Investments	$ 32,500	Various	$ 27,238	$ -	$ 44,585	$ 44,585	24%
Subtotal	**$ 990,500**		**$ 969,361**	**$ 360,802**	**$ 833,080**	**$ 1,193,882**	**6.6%**

(all dollar amounts in thousands)

MainePERS Private Market Investments Summary: 06/30/2021

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
Hellman & Friedman Capital Partners VII	$ 30,000	6/19/2009	$ 41,855	$ 93,025	$ 15,776	$ 108,801	25.1%
Oaktree Opportunities VIII	$ 30,000	12/9/2009	$ 30,000	$ 43,547	$ 602	$ 44,149	9.1%
Carlyle Asia Partners III	$ 15,000	12/31/2009	$ 19,799	$ 26,953	$ 1,967	$ 28,919	11.9%
H.I.G. Bayside Loan Fund II	$ 25,000	5/28/2010	$ 24,192	$ 29,196	$ 2,047	$ 31,243	6.4%
Blackstone Capital Partners VI	$ 30,000	6/30/2010	$ 36,281	$ 40,638	$ 19,417	$ 60,055	12.8%
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	$ 5,203	$ 6,051	$ 1,113	$ 7,164	12.4%
Kelso Investment Associates VIII	$ 3,000	1/6/2011	$ 3,022	$ 3,773	$ 531	$ 4,304	7.9%
Onex Partners III	$ 10,000	1/6/2011	$ 11,062	$ 15,956	$ 2,356	$ 18,312	13.2%
GTCR Fund X	$ 30,000	1/28/2011	$ 31,500	$ 60,806	$ 2,848	$ 63,654	21.3%
EnCap Energy Capital VIII	$ 30,000	1/31/2011	$ 34,181	$ 20,148	$ 9,094	$ 29,243	-4.3%
ABRY Partners VII	$ 10,000	4/29/2011	$ 12,862	$ 16,416	$ 3,940	$ 20,357	13.6%
ABRY Advanced Securities Fund II	$ 20,000	5/4/2011	$ 20,513	$ 29,220	$ 982	$ 30,203	13.3%
Summit Growth Equity VIII	$ 25,000	5/27/2011	$ 32,266	$ 56,508	$ 17,303	$ 73,811	27.5%
Summit Venture Capital III	$ 13,150	5/27/2011	$ 17,894	$ 32,379	$ 2,544	$ 34,922	17.6%
H.I.G. Growth Buyouts & Equity Fund II	$ 17,500	6/30/2011	$ 19,855	$ 12,986	$ 32,777	$ 45,763	21.8%
Berkshire Fund VIII	$ 15,000	7/20/2011	$ 16,706	$ 16,043	$ 15,503	$ 31,546	15.8%
KKR North American Fund XI	$ 60,000	2/7/2012	$ 89,295	$ 110,487	$ 51,384	$ 161,870	19.0%
Advent International GPE VII	$ 30,000	6/29/2012	$ 32,545	$ 39,060	$ 22,991	$ 62,052	16%
Water Street Healthcare Partners III	$ 25,000	7/25/2012	$ 27,905	$ 41,949	$ 32,812	$ 74,760	35.0%
H.I.G. Bayside Loan Ops Fund III (Europe)	$ 30,000	7/27/2012	$ 25,312	$ 27,525	$ 6,383	$ 33,908	8.2%
Wayzata Opportunities Fund III	$ 30,000	9/11/2012	$ 14,718	$ 8,849	$ 4,791	$ 13,639	-2.1%
ABRY Senior Equity IV	$ 10,000	12/7/2012	$ 10,796	$ 14,989	$ 2,876	$ 17,865	15.0%
EnCap Energy Capital Fund IX	$ 30,000	12/19/2012	$ 34,328	$ 26,873	$ 15,482	$ 42,355	7.4%
KKR Special Situations Fund	$ 60,000	12/19/2012	$ 118,946	$ 92,985	$ 20,085	$ 113,071	-1.9%
Affinity Asia Pacific Fund IV	$ 60,000	2/28/2013	$ 64,060	$ 58,015	$ 36,620	$ 94,635	14.7%
H.I.G. Capital Partners V	$ 15,000	2/28/2013	$ 15,807	$ 10,011	$ 20,003	$ 30,014	23.9%
Technology Crossover Ventures VIII	$ 60,000	5/8/2013	$ 52,305	$ 7,849	$ 136,477	$ 144,326	20.3%
H.I.G. Europe Capital Partners II	$ 22,500	7/1/2013	$ 22,890	$ 9,680	$ 23,396	$ 33,076	15.6%
Riverside Capital Appreciation Fund VI	$ 60,000	7/3/2013	$ 59,948	$ 56,925	$ 33,468	$ 90,392	11.8%
CVC Capital Partners VI	$ 67,000	7/12/2013	$ 82,174	$ 52,464	$ 95,243	$ 147,708	19.0%
Shoreview Capital Partners III	$ 24,000	7/24/2013	$ 25,079	$ 13,309	$ 24,048	$ 37,358	13.1%
Summit Partners Credit II	$ 60,000	10/25/2013	$ 89,682	$ 70,032	$ 32,322	$ 102,354	5.9%
GTCR Fund XI	$ 35,000	11/15/2013	$ 33,871	$ 60,178	$ 80,899	$ 141,077	44.2%
Onex Partners IV	$ 60,000	11/22/2013	$ 62,455	$ 40,755	$ 43,218	$ 83,972	8.3%

(all dollar amounts in thousands)

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H.I.G Middle Market LBO Fund II	$	40,000	2/7/2014	$	41,076	$	35,300	$	34,162	$	69,462	26.2%
EnCap Flatrock Midstream Fund III	$	20,000	4/9/2014	$	24,772	$	11,780	$	16,968	$	28,748	7.2%
ABRY Advanced Securities Fund III	$	30,000	4/30/2014	$	42,955	$	12,955	$	29,498	$	42,453	-0.5%
Thoma Bravo Fund XI	$	50,000	5/1/2014	$	69,098	$	118,090	$	91,421	$	209,512	31.8%
Carlyle Asia Partners IV	$	60,000	6/3/2014	$	75,074	$	67,482	$	51,197	$	118,679	14.0%
Riverside Micro-Cap Fund III	$	35,000	6/30/2014	$	49,067	$	64,011	$	165,854	$	229,864	39.0%
Sovereign Capital IV	$	46,500	7/7/2014	$	37,272	$	16,423	$	42,227	$	58,649	15.7%
ABRY Partners VIII	$	20,000	8/8/2014	$	23,500	$	24,122	$	9,096	$	33,218	10.9%
Hellman & Friedman Capital Partners VIII	$	45,000	9/24/2014	$	46,503	$	13,317	$	77,286	$	90,603	25.4%
Inflexion Buyout Fund IV	$	27,000	9/30/2014	$	33,251	$	22,549	$	32,702	$	55,251	17.4%
Inflexion Partnership Capital Fund I	$	17,000	9/30/2014	$	21,051	$	20,616	$	15,656	$	36,272	21.7%
Advent Latin America PE Fund VI	$	20,000	10/17/2014	$	18,750	$	8,350	$	20,640	$	28,990	17.8%
Wynnchurch Capital Partners IV	$	40,000	10/23/2014	$	34,956	$	11,702	$	67,723	$	79,426	31.7%
Centerbridge Capital Partners III	$	30,000	10/24/2014	$	42,313	$	28,290	$	34,970	$	63,259	20.5%
Kelso Investment Associates IX	$	60,000	11/5/2014	$	69,430	$	73,281	$	36,919	$	110,200	20.6%
Paine & Partners Capital Fund IV	$	60,000	12/18/2014	$	52,127	$	29,019	$	41,709	$	70,728	9.3%
KKR Special Situations Fund II	$	60,000	12/19/2014	$	97,320	$	59,180	$	48,379	$	107,560	5.1%
EnCap Energy Capital Fund X	$	40,000	3/5/2015	$	40,203	$	14,424	$	34,901	$	49,325	6.9%
Rhone Partners V	$	56,000	3/12/2015	$	61,374	$	24,278	$	77,287	$	101,565	22.4%
Blackstone Capital Partners VII	$	54,000	3/27/2015	$	56,581	$	13,174	$	73,704	$	86,878	20.7%
Thoma Bravo Special Opportunities Fund II	$	15,000	3/27/2015	$	17,527	$	17,624	$	20,600	$	38,224	20.6%
Charterhouse Capital Partners X	$	67,000	5/13/2015	$	46,700	$	14,634	$	64,431	$	79,065	22.9%
H.I.G. Brazil & Latin America Partners	$	60,000	7/1/2015	$	46,816	$	4,674	$	79,577	$	84,252	27.2%
Summit Growth Equity IX	$	60,000	8/26/2015	$	76,633	$	35,599	$	131,331	$	166,931	45.8%
Summit Venture Capital IV	$	40,000	8/26/2015	$	41,600	$	33,631	$	56,498	$	90,129	49.1%
Riverside Micro-Cap Fund IV	$	60,000	10/23/2015	$	55,659	$	-	$	103,331	$	103,331	18.8%
Advent International GPE VIII	$	50,000	2/5/2016	$	49,657	$	19,625	$	88,960	$	108,585	28.5%
Technology Crossover Ventures IX	$	60,000	2/19/2016	$	48,427	$	23,105	$	108,805	$	131,909	41.7%
KKR Americas XII	$	60,000	3/3/2016	$	47,476	$	5,674	$	91,468	$	97,142	41.9%
Berkshire Fund IX	$	50,000	3/18/2016	$	48,327	$	9,668	$	55,023	$	64,691	15.2%
Thoma Bravo Fund XII	$	60,000	4/27/2016	$	67,993	$	18,571	$	100,913	$	119,484	18.8%
ABRY Heritage Partners	$	10,000	5/31/2016	$	9,096	$	5,134	$	7,916	$	13,050	22.8%
Inflexion Supplemental Fund IV	$	10,000	5/31/2016	$	12,985	$	9,403	$	15,548	$	24,951	27.4%
Tillridge Global Agribusiness Partners II	$	50,000	10/21/2016	$	20,687	$	125	$	16,708	$	16,833	NM
ONCAP IV	$	15,000	11/8/2016	$	10,938	$	2,725	$	10,904	$	13,629	10.1%
ABRY Senior Equity V	$	12,050	1/19/2017	$	11,727	$	2,777	$	11,923	$	14,700	17.1%
CVC Capital Partners VII	$	48,000	5/9/2017	$	43,666	$	13,860	$	49,157	$	63,017	34.2%
EnCap Energy Capital Fund XI	$	40,000	5/31/2017	$	18,112	$	819	$	14,831	$	15,650	NM
Onex Partners V	$	45,000	7/11/2017	$	19,800	$	1,881	$	21,617	$	23,498	NM

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Water Street Healthcare Partners IV	$	33,000	9/15/2017	$	20,629	$	-	$	25,293	$	25,293	11.6%
GTCR Fund XII	$	50,000	9/29/2017	$	36,629	$	10,763	$	48,897	$	59,659	36.4%
Carlyle Asia Partners V	$	45,000	10/30/2017	$	18,142	$	5,144	$	19,922	$	25,066	NM
EnCap Flatrock Midstream Fund IV	$	22,000	11/17/2017	$	10,925	$	2,299	$	9,948	$	12,247	NM
Affinity Asia Pacific Fund V	$	40,000	12/11/2017	$	8,804	$	957	$	10,781	$	11,738	NM
Technology Impact Fund	$	40,000	12/18/2017	$	23,649	$	10,887	$	68,507	$	79,393	79.8%
Kelso Investment Associates X	$	45,000	3/16/2018	$	30,751	$	2,095	$	39,851	$	41,946	40.4%
Paine Schwartz Food Chain Fund V	$	45,000	8/3/2018	$	14,438	$	1,122	$	14,117	$	15,239	NM
Riverside Micro-Cap Fund V	$	40,000	8/21/2018	$	19,777	$	-	$	25,237	$	25,237	NM
Technology Crossover Ventures X	$	45,000	8/31/2018	$	31,718	$	-	$	76,054	$	76,054	84.4%
H.I.G. Growth Buyouts & Equity Fund III	$	35,000	9/13/2018	$	3,533	$	-	$	2,904	$	2,904	NM
Hellman & Friedman Capital Partners IX	$	45,000	9/28/2018	$	31,517	$	93	$	39,798	$	39,891	34.6%
Technology Impact Growth Fund	$	40,000	11/26/2018	$	41,153	$	18,113	$	44,639	$	62,752	33.8%
Thoma Bravo Fund XIII	$	45,000	12/7/2018	$	44,660	$	23,367	$	56,407	$	79,774	57.5%
Summit Growth Equity X	$	60,000	2/26/2019	$	35,781	$	4,737	$	41,072	$	45,810	63.7%
Advent International GPE IX	$	50,000	5/9/2019	$	21,131	$	3,998	$	36,914	$	40,912	NM
Shoreview Capital Partners IV	$	30,000	6/3/2019	$	3,742	$	48	$	4,084	$	4,132	NM
H.I.G. Middle Market LBO Fund III	$	40,000	7/23/2019	$	3,178	$	-	$	2,990	$	2,990	NM
Riverside Micro-Cap Fund IV-B	$	20,000	8/9/2019	$	21,402	$	5,583	$	25,150	$	30,733	NM
Wynnchurch Capital Partners V	$	40,000	1/15/2020	$	8,117	$	-	$	10,383	$	10,383	NM
Summit Europe Growth Equity III	$	22,000	3/18/2020	$	3,885	$	-	$	3,613	$	3,613	NM
General Catalyst - Early Venture	$	19,565	3/26/2020	$	14,870	$	-	$	26,356	$	26,356	NM
General Catalyst - Growth Venture	$	32,609	3/26/2020	$	27,065	$	-	$	48,844	$	48,844	NM
General Catalyst - Endurance	$	22,826	3/26/2020	$	18,979	$	-	$	27,472	$	27,472	NM
CVC Capital Partners VIII	$	44,000	6/11/2020	$	-	$	-	$	-	$	-	NM
Summit Venture Capital V	$	45,000	6/16/2020	$	2,394	$	-	$	2,147	$	2,147	NM
Technology Crossover Ventures XI	$	45,000	10/2/2020	$	8,446	$	-	$	7,953	$	7,953	NM
GTCR XIII	$	50,000	10/27/2020	$	-	$	-	$	1,043	$	1,043	NM
Bain Capital Ventures 2021	$	25,000	10/28/2020	$	4,438	$	-	$	5,152	$	5,152	NM
Bain Capital Ventures Co-Investment Fund III	$	15,000	4/1/2021	$	4,200	$	-	$	4,191	$	4,191	NM
Technology Impact Fund II	$	40,000	4/13/2021	$	3,252	$	-	$	3,156	$	3,156	NM
Charterhouse Capital Partners XI	$	45,000	4/23/2021	$	-	$	-	$	-	$	-	NM
Hellman & Friedman Capital Partners X	$	45,000	5/10/2021	$	-	$	-	$	-	$	-	NM
KKR North America XIII	$	40,000	6/25/2021	$	-	$	-	$	-	$	-	NM
Private Equity Co-Investments	$	340,134	Various	$	333,918	$	193,619	$	382,728	$	576,347	19.9%
Subtotal	**$**	**4,323,834**		**$**	**3,712,115**	**$**	**2,430,438**	**$**	**3,978,743**	**$**	**6,409,181**	**19.3%**

(all dollar amounts in thousands)

MainePERS Private Market Investments Summary: 06/30/2021

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
Principal Life US Property	$ 60,000	5/20/2005	$ 60,000	$ 125,410	$ -	$ 125,410	6.2%
PRISA	$ 90,000	6/30/2005	$ 139,622	$ 222,450	$ -	$ 222,450	5.3%
JPMCB Strategic Property Fund	$ 130,000	11/15/2005	$ 186,941	$ 297,519	$ -	$ 297,519	5.9%
Blackrock Granite Property Fund	$ 63,791	9/30/2006	$ 68,771	$ 53,312	$ -	$ 53,312	-4.9%
H/2 Credit Partners	$ 75,000	6/21/2011	$ 75,000	$ 112,177	$ -	$ 112,177	5.9%
Prima Mortgage Investment Trust, LLC	$ 75,000	7/29/2011	$ 97,191	$ 44,227	$ 88,647	$ 132,874	4.3%
Blackstone Real Estate Partners VII	$ 75,000	2/26/2012	$ 99,475	$ 125,916	$ 30,833	$ 156,749	14.7%
Harrison Street Core Property Fund, L.P.	$ 75,000	4/30/2012	$ 93,804	$ 43,284	$ 120,737	$ 164,021	8.6%
Walton Street Real Estate Fund VII	$ 50,000	5/9/2012	$ 43,990	$ 49,099	$ 12,105	$ 61,204	10.1%
Smart Markets Fund, L.P.	$ 150,000	6/17/2013	$ 160,065	$ 52,206	$ 220,844	$ 273,050	9.3%
High Street Real Estate Fund IV	$ 25,000	8/23/2013	$ 24,717	$ 34,157	$ -	$ 34,157	14.7%
KKR Real Estate Partners Americas I	$ 50,000	12/20/2013	$ 49,482	$ 58,013	$ 3,676	$ 61,690	11.5%
Westbrook Real Estate Fund IX	$ 15,000	6/30/2014	$ 17,341	$ 16,613	$ 3,755	$ 20,368	6.4%
Invesco US Income Fund	$ 150,000	7/17/2014	$ 164,001	$ 50,278	$ 228,010	$ 278,288	11.2%
Westbrook Real Estate Fund X	$ 50,000	1/15/2015	$ 48,184	$ 32,263	$ 25,865	$ 58,128	10.8%
Prudential Senior Housing Fund V	$ 50,000	3/17/2015	$ 41,333	$ 3,783	$ 51,237	$ 55,020	8.0%
Blackstone Real Estate Partners VIII	$ 50,000	3/27/2015	$ 58,762	$ 44,452	$ 40,592	$ 85,044	14.8%
High Street Real Estate Fund V	$ 25,000	7/24/2015	$ 24,925	$ 35,305	$ 260	$ 35,565	12.8%
Rubenstein Properties Fund III	$ 30,000	10/23/2015	$ 28,774	$ 627	$ 27,936	$ 28,563	-0.3%
Walton Street Real Estate Fund VIII	$ 50,000	10/23/2015	$ 42,686	$ 21,728	$ 31,869	$ 53,597	10.2%
KKR Real Estate Partners Europe I	$ 50,000	12/2/2015	$ 46,938	$ 27,404	$ 33,648	$ 61,052	11.3%
KKR Real Estate Partners Americas II	$ 50,000	6/2/2016	$ 50,818	$ 22,562	$ 40,960	$ 63,522	17.5%
Blackstone Property Partners	$ 350,000	6/29/2017	$ 350,000	$ 21,671	$ 382,778	$ 404,449	5.5%
IPI Data Center Partners I	$ 30,000	12/15/2017	$ 29,242	$ 13,455	$ 30,859	$ 44,314	23.0%
Barings Asia Real Estate II	$ 50,000	7/31/2018	$ 10,860	$ -	$ 10,617	$ 10,617	NM
Blackstone Real Estate Partners IX	$ 40,000	12/21/2018	$ 19,623	$ 2,459	$ 22,545	$ 25,003	NM
Westbrook Real Estate Fund XI	$ 40,000	1/31/2019	$ 3,828	$ -	$ 4,147	$ 4,147	NM
Northbridge-Strategic Fund II	$ 30,000	2/8/2019	$ 30,000	$ 506	$ 32,965	$ 33,471	4.9%
High Street Real Estate Fund VI	$ 25,000	3/22/2019	$ 25,000	$ 157	$ 26,926	$ 27,082	12.6%
Rubenstein Properties Fund IV	$ 25,000	4/16/2019	$ -	$ -	$ -	$ -	NM
EQT Real Estate II	$ 54,510	4/26/2019	$ 14,653	$ 4,956	$ 11,957	$ 16,912	NM
IPI Data Center Partners II	$ 25,000	12/20/2019	$ 2,389	$ 1,619	$ 161	$ 1,779	NM
KKR Real Estate Partners Europe II	$ 25,000	12/23/2019	$ -	$ -	$ 999	$ 999	NM
Angelo Gordon Net Lease IV	$ 50,000	2/17/2020	$ 12,773	$ -	$ 13,948	$ 13,948	NM
Invesco Real Estate Asia IV	$ 30,000	3/25/2020	$ 3,290	$ 1,793	$ 1,411	$ 3,204	NM

(all dollar amounts in thousands)

MainePERS Private Market Investments Summary: 06/30/2021

Bain Capital Real Estate II	$	50,000	3/5/2021	$	-	$	-	$	-	$	-	NM
Real Estate Co-Investments	$	66,000	Various	$	51,732	$	4,160	$	51,099	$	55,259	5.7%
Subtotal	**$**	**2,329,301**		**$**	**2,176,209**	**$**	**1,523,562**	**$**	**1,551,386**	**$**	**3,074,948**	**6.9%**

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.

(all dollar amounts in thousands)

MAINEPERS

BOARD OF TRUSTEES INVESTMENTS MEMORANDUM

TO: BOARD MEMBERS

FROM: JAMES BENNETT, CHIEF INVESTMENT OFFICER

SUBJECT: **ASSET ALLOCATION**

DATE: JANUARY 6, 2022

At this meeting, the Investment Team and Cambridge Associates will continue the asset allocation discussion from December's meeting. As a reminder, this discussion was cut short due to time constraints. Following this memo is the same presentation that was provided in December, with two slides added at the end.

These slides provide a high-level overview of the outcomes of the past two asset allocation reviews, which took place in 2013 and 2017, and provide Trustees with a tentative timeline for a review of the System's asset allocation that will begin this month.

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

Asset Allocation
January 13, 2022

MainePERS
PUBLIC EMPLOYEES RETIREMENT SYSTEM

Institutional investing is best viewed as a process:

Strategic Asset Allocation

Chose target allocations across asset classes

- Consistent with achieving Goals & Objectives
  - Acceptable contribution rate level & volatility
  - Optimize portfolio returns for risks taken

- Mindful of specific constraints and considerations
  - Long term investment horizon
  - Liquidity needs
  - Stakeholders

Process is both quantitative and qualitative

Strategic Asset Allocation Process

Define asset classes

- Groups of assets influenced by same factors
- Investable at institutional quality and reasonable cost

Model asset class behavior

- What are expected risk and returns?
- How do asset classes move together (correlations)?
- Acknowledge that inputs are unstable and difficult to predict, even in long run

Allocate capital to construct a portfolio meeting goals and objectives

- Evaluate assets on contribution to overall portfolio, NOT on stand-alone basis
- Recipe analogy: not every ingredient needs to taste good itself

Asset Classes & Role in Portfolio

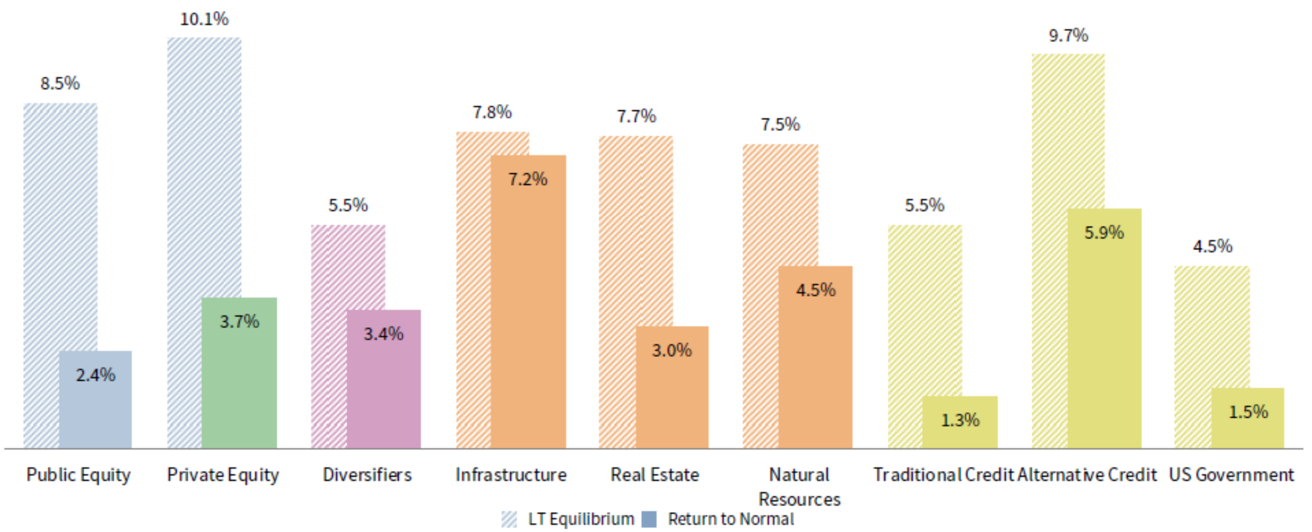
Portfolio Role	Asset Classes
GROWTH	
Drive portfolio growth to meet benefit obligations	Public & Private Equity
Higher risk / return profile	
RISK DIVERSIFIERS	
Dampen volatility while attempting to improve risk / return tradeoff	
Lower correlation to equity markets, more reliance on manager skill	
HARD ASSETS	
Provide potential for growth and / or diversification	Real Estate
Stable value of appreciation in rising inflation / inflation sensitive	Infrastructure
	Natural Resources
CREDIT	
Provide potential source of diversification as well as income generation	Traditional Credit
Can serve to some degree as monetary hedge	Alternative Credit
MONETARY HEDGE	
Stable value or appreciation in economic contraction or flight to quality	US Gov Securities
High sensitivity to falling interest rates	
Possible hedge against currency risk	

Asset Class Expectations

CA Asset Class Return Projections as of October 31, 2021

TEN-YEAR NOMINAL RETURN SCENARIOS: "RETURN TO NORMAL"

As of October 31, 2021 • Nominal AACR (%)



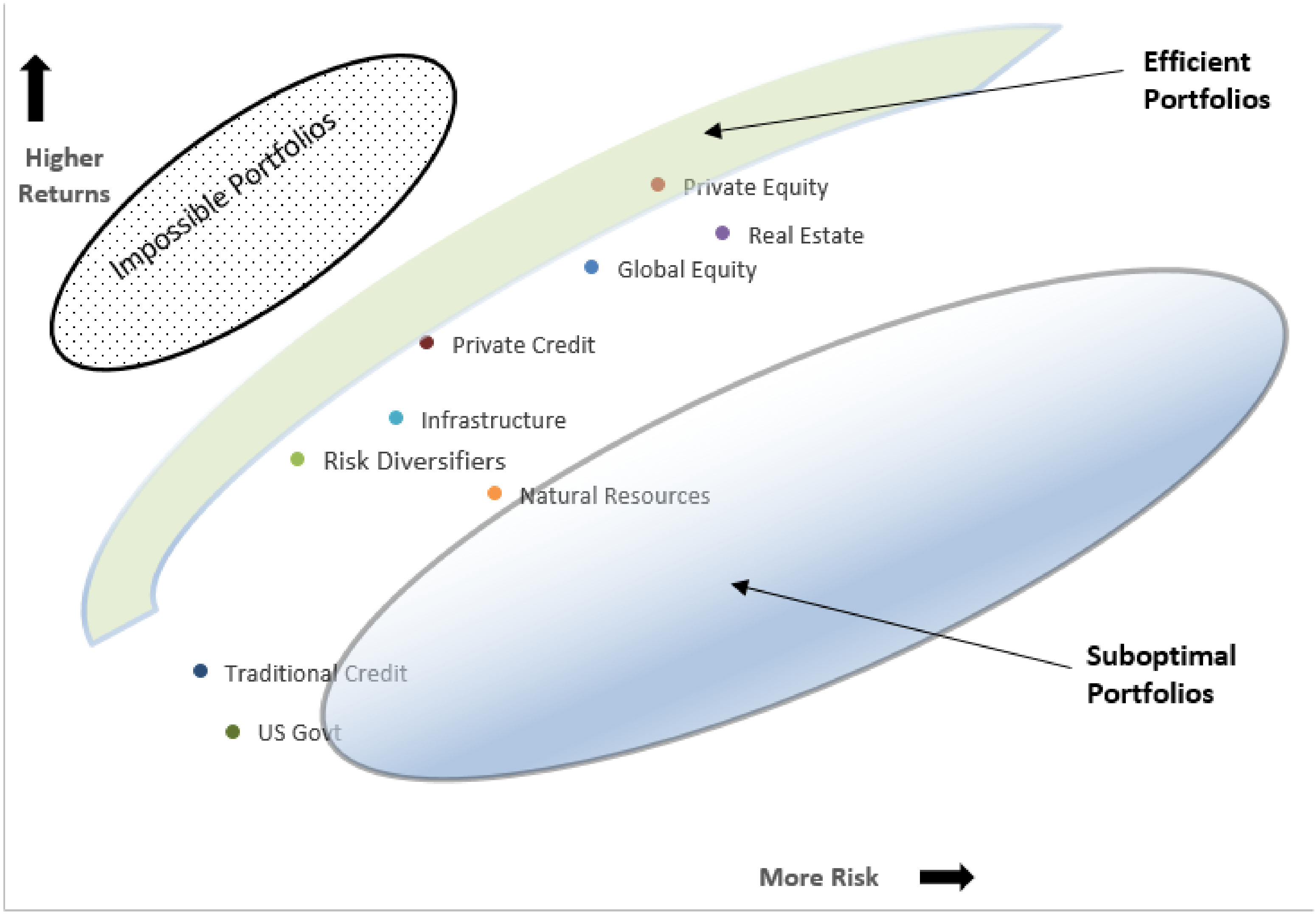
Key Assumptions: Inflation: 2.5%; real EPS growth: 2% for US and Dev ex US, 3% for EMs; ending 10-Yr US Treasury yield: 5.0%; ending 10-Yr US TIPS yield: 2.0%; equity valuations: revert to long-term medians

Sources: Bloomberg Index Services Limited, Bloomberg L.P., Cambridge Associates LLC, Global Financial Data, Inc., MSCI Inc., and Thomson Reuters Datastream. MSCI data provided "as is" without any express or implied warranties.

Notes: All projections are in local currency terms and are intended to represent total returns rounded to the nearest half decimal. Projected global equity returns are based on a weighted average of the projections for US, developed ex US, and EM equities using month-end weights for the MSCI All Country World Index. Projected hedge fund returns are intended to reflect market-wide performance as defined by particular HFRI indexes, and not the performance or potential for value-added of a specific program. The return projection for private equity/venture capital is not calculated using the same "bottom up" methodology as the other asset classes; rather, it is calculated as the projected global equity return plus 2%.

C|A

Combining Assets into Portfolios



Asset Class Expectations

Capital Market Assumptions

As of October 31, 2021

Assumes 2.75% annual inflation

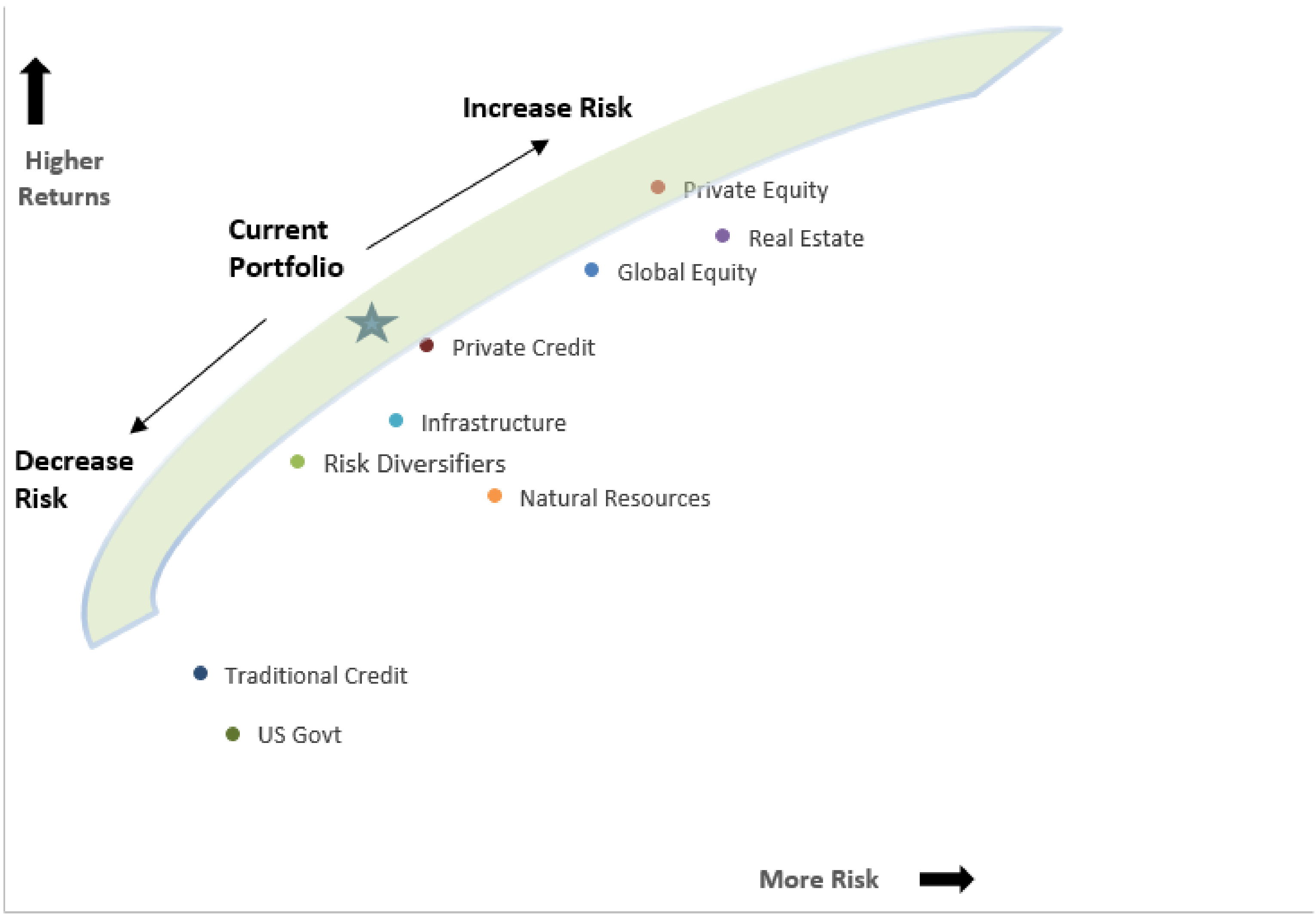
	Asset Classes	Policy Portfolio	Long Term Geometric	RTN Blend Geometric	RTN Geometric	Standard Deviation
Growth Assets	Public Equity	30.0%	8.7%	6.2%	2.4%	16.9%
	Private Equity	15.0%	10.4%	7.7%	3.7%	23.6%
Diversifiers	Diversifiers	7.5%	5.7%	4.8%	3.4%	7.0%
Hard Assets	Infrastructure	10.0%	8.1%	7.8%	7.4%	16.8%
	Real Estate	10.0%	8.0%	6.0%	3.0%	20.0%
	Natural Resources	5.0%	7.8%	6.5%	4.5%	18.2%
Credit	Traditional Credit	7.5%	5.8%	3.9%	1.3%	10.3%
	Alternative Credit	7.5%	10.0%	8.4%	5.9%	13.0%
Monetary Hedge	US Government	7.5%	5.1%	3.6%	1.5%	6.0%

	Long Term Geometric	RTN Blend Geometric	RTN Geometric
Nominal Geometric Return	8.8%	6.9%	4.1%
Standard Deviation	11.6%	11.6%	11.6%

C|A

Note(s): All returns projections shown above are nominal. Public Equities assumptions are a blend of Cambridge Associates assumptions: .53 US Equity, .37 Developed ex US Equity, .1 Emerging Markets Equity. Infrastructure assumptions are a blend of Cambridge Associates assumptions: .6 Oil & Gas, 2 Timber, and .2 Commodities. The Diversifiers assumptions are a blend made up of .7 Absolute Return and .3 cash plus 300bps of alpha. The Alternative Credit assumptions is Cambridge Associate's High Yield assumption plus 300bps of alpha. US Government assumptions are a blend of Cambridge Associates assumptions: .99 TIPS, .01 US Govt Bonds

Different allocations => different risks



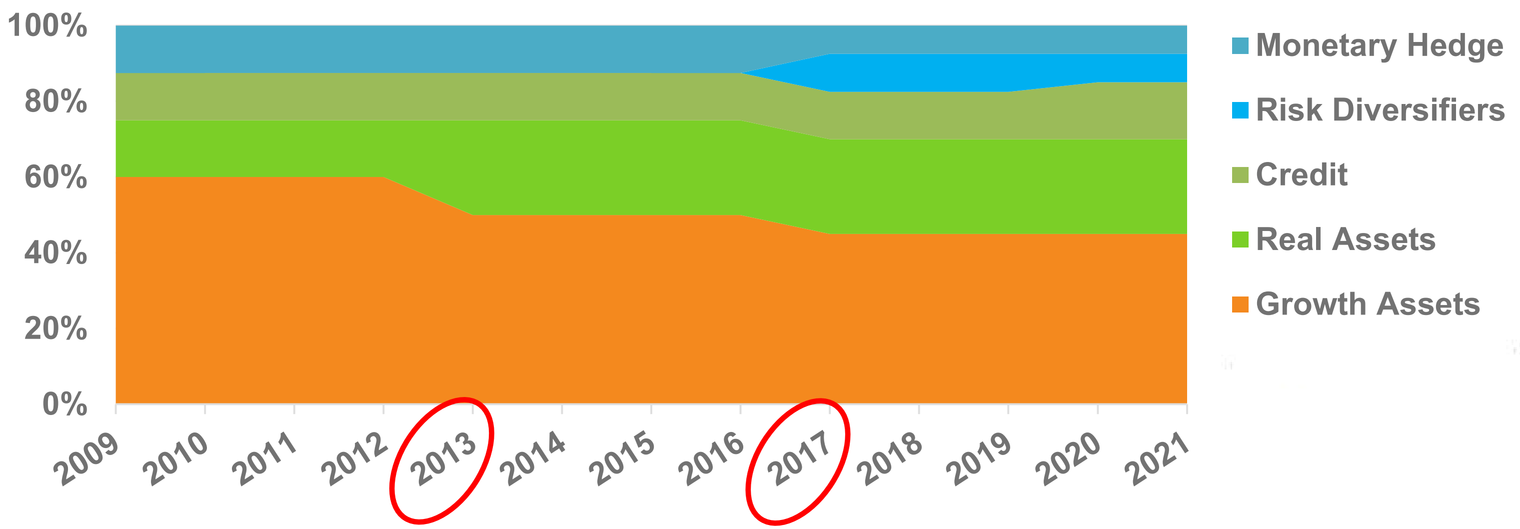
Asset Allocation – Past Reviews

2013

- Set contribution rate level and stability as key objectives
  - Set a target portfolio volatility of ≈13%
- Shifted 15% of portfolio from public equity to alternatives

2017

- Added Risk Diversifiers & Alternative Credit asset classes
- Shifted 20% from public equity to alternatives



Asset Allocation: Next Steps

Starting this month, MainePERS will work with Cambridge and Cheiron to review the System’s asset allocation

February – March Board Meetings

- Review goals and objectives, taking into account discount rate and funding status goals
- Recommend changes to current goals (including target portfolio volatility), as appropriate

April – June Board Meetings

- Consistent with any updates made to goals and objectives:
  - Develop and review potential allocation changes
  - Develop and review potential implementation glide paths
- Recommend allocation changes, as appropriate

MAINEPERS

BOARD OF TRUSTEES ADMINISTRATION MEMORANDUM

TO: BOARD MEMBERS

FROM: JIM DUSCH, DIRECTOR OF MEMBER SERVICES
REBECCA GRANT, DIRECTOR OF ADMINISTRATION
SHERRY VANDRELL, DIRECTOR OF FINANCE

SUBJECT: **OPERATIONS REPORT**

DATE: JANUARY 3, 2022

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. In December, 46,294 benefit recipients were paid a total of $93,580,970.85.

2. RETIREMENT SERVICES. Eighty-seven individuals received their first benefit payment in December, with the typical benefit amount being $1,556 after 19 years of service. This was consistent with what is usually seen in December during recent years.

   Two hundred seventy-one former members received a refund of their contributions in December, typically amounting to $313 as the result of less than one-year of service. The aggregate amount refunded was $1,873,289. This is a higher count and lower typical amount than has been typically experienced in recent Decembers. The reasons for this change are a heightened focus on refunding low-balance accounts that have been inactive for greater than three-years and the year-end payment of required minimum distributions to beneficiaries.

3. DISABILITY SERVICES. Five new disability retirement applications were received in December, and 12 intakes with varying levels of detail and duration were conducted.

4. SURVIVOR SERVICES. Sixty-seven life insurance claims were sent to The Hartford in December, with a total value of $1,226,560 in payments due to beneficiaries.

5. DEFINED CONTRIBUTION PLAN SERVICES. MaineSTART had 1,535 participants at the end of December, with $63,376,093 of investment assets.

6. PLD PLAN ADMINISTRATION. Pursuant to new legislation, 10 City of Bangor employees have transferred into the PLD Retirement Program from their previous alternate plan. We are in the process of determining the count of employees who transferred in from other PLDs.

FINANCIAL PROGRAMS

1. EMPLOYER REPORTING. Eighty-nine percent of the defined benefit payrolls expected to be received in December were uploaded on time. This was the same percentage reported timely in November.

2. EMPLOYER REPORTING ASSISTANCE PROGRAM. Four reviews were completed during the month of November, three of which revealed contribution errors that staff are working to resolve with the employer. Six new reviews were initiated during the same period. Eighty-three percent of all findings to date have been resolved satisfactorily.

ADMINISTRATION

1. SPECIAL PROJECTS. The update of all BCP Departmental Plans is at 75% completion; remaining drafts are in queue for January and February '22 review and adoption. Given the global prevalence of "ransomware" and "business e-mail compromise" attacks, MainePERS has prepared and adopted a ransomware response playbook. A draft of the business email compromise playbook is pending adoption. These documents lay out the decisions, actions and communications MainePERS would likely face when confronted with either scenario and will enable a more efficient and effective response.

2. ADMINISTRATIVE ACTIONS. Close contact post-holiday COVID-19 exposures continue to climb with HR screening a number of individuals. Fortunately, the majority are vaccinated and boosted. Unvaccinated individuals continue to test weekly.

3. FACILITIES. We are experiencing minor challenges for the Liebert cooling units that cool the computer room. This time of year, dry air can create fluctuations in humidity and cooling challenges. The contracted vendor is working on resolving the issues.

4. COMMUNICATIONS. MainePERS continues to address the structure of addresses in the line of business system (V3) to conform to USPS address format standards. Vitech delivered its cost estimate for implementing the recommended address standards (character type, length, case) within V3. MainePERS also received the necessary "address change rule set" for implementation. Both efforts are part of the larger data cleanup effort.

5. HUMAN RESOURCES. There are several recruitments open, including a Senior Programmer Analyst, a Document Control Specialist, Pension Associates, and a Disability Specialist. Multiple training initiatives are underway, including security phishing tests and Ergonomic/VDT training. One reclassification arbitration is scheduled for the month of January. The arbitration has been rescheduled multiple times.

6. INFORMATION TECHNOLOGY. CBIZ completed its assessment of year one of the three-year cycle of IT assessments. The assessment noted that "MainePERS is proficient in developing policies that incorporate industry best practices and define IT and security requirements across the MainePERS organization." Two observations were identified and reported during this cycle. Both related to the Business Continuity Program and are either remediated or in

process to be remediated by the end of January. Phase II of the assessment cycle begins in September of 2022.

Year-end processing preparation is underway for the January Benefits Payroll and 1099-R production. This work involves production of over 130,000 forms for mailing.

LogRhythm is a security software used by MainePERS for activity on its network. A server upgrade project just wrapped up with vendor partners Presidio and LogRhythm to migrate and upgrade the LogRhythm application and data from the legacy system. The new server and application allows for improved performance and better reporting capabilities.

We are upgrading the storage infrastructure in the Brunswick FirstLight datacenter facility that houses the disaster recovery ("DR") equipment for MainePERS. The project included increased storage capacity and improved system performance. This is the final phase of a DR infrastructure project that included network communication upgrades and rack rewiring.

JD/SV/RG/mg

Maine Public Employees Retirement System

Contributions and Disbursements - Defined Benefit Plans

For the Five Months Ended November 30, 2021 and November 30, 2020

	Current	Year to Date	Prior Year to Date
Contributions			
Employer Contributions[1]	$ 41,279,291	$ 212,727,487	$ 204,045,495
Member Contributions	15,408,932	80,382,617	77,669,224
Member Repurchases	2,773,007	5,764,799	1,039,280
Total Contributions	**$ 59,461,230**	**$ 298,874,903**	**$ 282,753,999**
Member Disbursements			
Benefits Payroll	$ 93,601,926	$ 463,040,922	$ 445,079,432
Member Refunds	1,586,317	9,189,970	7,835,978
Total Member Disbursements	**$ 95,188,243**	**$ 472,230,892**	**$ 452,915,410**
Net	**$ (35,727,013)**	**$ (173,355,989)**	**$ (170,161,411)**

[1]Employer Contributions include both normal cost and UAL contributions

MAINEPERS

BOARD OF TRUSTEES LEGAL MEMORANDUM

TO: BOARD MEMBERS

FROM: MICHAEL J. COLLERAN, CHIEF OPERATING OFFICER AND GENERAL COUNSEL

SUBJECT: **INTEREST RATES**

DATE: JANUARY 5, 2022

The interest rates we pay or charge for certain transactions reset annually based on rates published by the U. S. Department of the Treasury.

POLICY REFERENCE

Board Policy 4.5 – Board/Staff Relations

Board Policy 4.6 – Communications and Support to the Board

INTEREST RATE SETTING

In June of 2016, the Board passed a resolution setting the interest rate used by MainePERS for withdrawals at "the yield of a 10-year United States Treasury bond on the last business day of the previous calendar year." This rate is referred to in statute as "regular interest." The resolution also set the interest rate for service purchases at "the then-current discount rate," although the rate for some purchases is capped by statute at no more than 2% or 5% above regular interest, depending upon the type of purchase.

With the new year, the interest rate we pay on withdrawals is resetting to 1.52%, the 10-year Treasury bond yield on December 30 and 31, 2021. The rate had been .93%.

This increase will result in related increases in the interest rates that are capped by statute at no more than a specified percentage above "regular interest" (i.e., 1.52%). Rates subject to a 2% cap will increase from 2.93% to 3.52%. Rates subject to a 5% cap will increase from 5.93% (last year's capped rate) to 6.5% (the discount rate, since it is slightly below the new rate cap).

No Board action is required.

MAINEPERS

BOARD OF TRUSTEES LEGISLATIVE MEMORANDUM

TO: BOARD MEMBERS

FROM: MICHAEL J. COLLERAN, CHIEF OPERATING OFFICER AND GENERAL COUNSEL
KATHY MORIN, MANAGER, ACTUARIAL AND LEGISLATIVE AFFAIRS

SUBJECT: **LEGISLATIVE UPDATE**

DATE: JANUARY 5, 2022

The Second Regular Session of the 130th Legislature convened on January 5, 2022. Statutory adjournment for this session is April 20, 2022. We will review proposed bills as they are printed and will bring bills to you that either could directly affect the System or are otherwise of interest. We are also including in this update the relevant bills that were carried over from the First Special Session that will be considered in the Second Regular Session.

POLICY REFERENCE

Board Policy 3.1 – Reporting

Board Policy 3.2 – Legislation

Board Policy 4.5 – Board/Staff Relations

Board Policy 4.6 – Communications and Support to the Board

SYSTEM BILL

We submitted one bill this session to make changes to several parts of our statute. This bill was originally submitted during the First Regular Session, but it was not printed for consideration due to a mix-up between legislative offices. The changes in the bill include the following:

A. correcting a cross-reference in the law that governs ordinary death benefits for members in the Judicial Retirement Program;

B. clarifying the definition of "qualifying member" in the Judicial Retirement Program;

C. clarifying that actuarial equivalent calculations are based on the discount rate assumption adopted by the Board;

D. incorporating a change in title from Executive Director to Chief Executive Officer;

E. specifying the types of retirement plans that the Board of Trustees may establish and offer;

F. replacing obsolete language regarding disability retirement-related information that is reported by the System annual to the Legislature;

G. aligning the automatic refund provisions with federal law;

H. deleting a cross-reference to inapplicable federal law in the subsidized military service credit purchase provision;

I. removing the ability for certain retired participating local district members to re-enter the plan in order to bring the provisions into compliance with federal law;

J. updating the required minimum contribution rate that participating local district employees must contribute to a defined contribution or deferred compensation plan in order for it to be considered a qualified replacement plan;

K. clarifying jurisdiction for administrative decisions on membership;

L. authorizing the Chief Executive Officer to adopt a remote meeting policy for the PLD Advisory Committee; and

M. removing or correcting obsolete, unclear, or inconsistent statutory language.

CARRIED OVER BILLS

The following bills were carried over from the First Special Session:

L.D. 111 – EARLY RETIREMENT FOR TEACHERS

This bill would allow teachers with at least 35 years of service credit to retire at any age without an early retirement reduction. It would also require a retired teacher who returns to work to make member contributions at the same rate as other teacher members. This bill was carried over on the Special Appropriations Table.

L.D. 548 – EARLY RETIREMENT REDUCTIONS

This bill requires a recalculation of retirement benefits based on a decreased early retirement reduction for certain state employee and teacher retirees. This bill was carried over by the Labor and Housing Committee.

L.D. 703 – COST-OF-LIVING ADJUSTMENTS

This bill would provide for a cost-of-living adjustment on the entire benefit for retired state employees and teachers. This bill was carried over on the Special Appropriations Table.

L.D. 907 – PENSION FUNDS AND CLIMATE CHANGE

This concept draft bill would change laws concerning state pension funds and climate change. This bill was carried over by the Labor and Housing Committee.

L.D. 956 – MILITARY SERVICE PURCHASES

This bill expands the periods of military service that eligible members may purchase at a subsidized rate. This bill was carried over on the Special Appropriations Table.

L.D. 1041 – MENTAL HEALTH WORKER SPECIAL PLAN

This bill would allow certain mental health workers who are currently included in the regular plan to be covered instead by the 1998 Special Plan. This bill was carried over on the Special Appropriations Table.

PRINTED BILLS

The following bills have been printed:

L.D. 1746 – CHIEF MEDICAL EXAMINER EMPLOYEE SPECIAL PLAN

This bill would allow certain employees in the Office of the Chief Medical Examiner who are currently included in the regular plan to be covered instead by the 1998 Special Plan.

A copy of this bill is included with this memo.

L.D. 1753 – PLD SPECIAL PLANS

This bill changes the special plans available to some PLD employees.

A copy of this bill is included with this memo.

L.D. 1772 – REMOTE MEETINGS

This bill amends requirements for holding public meetings remotely.

A copy of this bill is included with this memo.

L.D. 1808 – CRIME LAB/COMPUTER CRIMES UNIT RETROACTIVE SPECIAL PLAN

This bill provides retroactive special plan coverage for certain employees of the Maine State Police Crime Laboratory and computer crimes unit.

A copy of this bill is included with this memo.

L.D. 1840 – CORRECTIONS SUPERVISORS RETROACTIVE SPECIAL PLAN

This bill provides retroactive special plan coverage for certain employees of the Department of Corrections.

A copy of this bill is included with this memo.

L.D. 1901 – RETIRED TEACHER HEALTH INSURANCE INVESTMENT TRUST FUND

This bill establishes a retired teacher health insurance investment trust fund. As with the trust fund for retired state employees, the MainePERS Board of Trustees are the trustees of this investment trust fund.

REPORTS

The following reports have been submitted to the Legislature:

PROGRAM EVALUATION REPORT

The State Government Evaluation Act requires the System to submit a program evaluation report to the Legislature every eight years. We submitted our latest report on November 1, 2021, and provided a copy to the Board.

ESG POLICY/DIVESTMENT

The divestment laws enacted in the First Special Session of the 130th Legislature, chapters 231 and 234, required the Board to review its ESG policy, make any changes necessary to comply with the laws, and submit a report on the review to the Labor and Housing

Committee. We filed the report on December 14, and a copy was provided to Board members at that time.

WINDFALL ELIMINATION PROVISION/GOVERNMENT PENSION OFFSET

Resolve, chapter 84, enacted in the First Special Session of the 130th Legislature, requires a study of existing and potential cooperation of state retirement systems affected by the social security offsets. A report of recommendations was due on January 1, 2022, and was submitted on December 29, 2021. A copy of the report is included with this memo.

The following reports will be prepared for the Legislature during the upcoming weeks:

PROCUREMENT

The System is required to report information annually to the Legislature regarding procurement, contributions, and changes to certain policies and procedures. This report is due by February 1, 2022, and a copy of the report will be provided to the Board once it is issued.

NEW PENSION PLAN DESIGN

Resolve, chapter 66, enacted in the First Special Session of the 130th Legislature, requires the convening of a working group to develop new plan designs. The System requested an extension of the December 1, 2021 deadline for filing the working group report to February 15, 2022. A copy of the report will be provided to the Board once it is issued.

Resolve 72, also enacted in the First Special Session of the 130th Legislature, requires the System to report on options for teachers to participate in Social Security. The System requested an extension of the December 1, 2021 deadline for filing the report to February 15, 2022. A copy of the report will be provided to the Board once it is issued.

MILITARY SUBSIDY REPORT

The System is required to report information annually to the Legislature regarding military service credit purchase requests received from certain categories of members. This report is due by February 15, 2022, and a copy of the report will be provided to the Board once it is issued.

ANNUAL REPORT TO THE LEGISLATURE

The System is required to submit an annual report to the Legislature containing specific information set out in statute. This report is due by March 1, 2022, and a copy of the report will be provided to the Board once it is issued.

130th MAINE LEGISLATURE

SECOND REGULAR SESSION-2022

Legislative Document	**No. 1746**
S.P. 601	In Senate, December 2, 2021

An Act To Expand the 1998 Special Retirement Plan To Include Employees Who Work for the Office of Chief Medical Examiner

(EMERGENCY)

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 203.

Received by the Secretary of the Senate on November 30, 2021. Referred to the Committee on Labor and Housing pursuant to Joint Rule 308.2 and ordered printed.

DAREK M. GRANT
Secretary of the Senate

Presented by Senator HICKMAN of Kennebec.

Emergency preamble. **Whereas,** acts and resolves of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, during the First Regular Session of the 130th Legislature, Public Law 2021, chapter 474 expanded the 1998 Special Retirement Plan to include civilian employees who work for the Department of Public Safety, Maine State Police Crime Laboratory or computer crimes unit; and

Whereas, employees of the Office of Chief Medical Examiner within the Department of the Attorney General were inadvertently omitted from inclusion in Public Law 2021, chapter 474; and

Whereas, employees of the Office of Chief Medical Examiner are responsible for working with the bodies of victims of sudden, unexpected and violent deaths, talking with and supporting the grieving families of the victims and collecting reports of all missing people in Maine; and

Whereas, given the recent uptick in overdose deaths and child deaths in the State, the employees of the Office of Chief Medical Examiner are faced with bleak outcomes each day; and

Whereas, these employees deserve to be included in the 1998 Special Retirement Plan in recognition of their dedication and hard work and so that they are compensated similarly to their counterparts; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 5 MRSA §17851-A, sub-§1, ¶P, as amended by PL 2021, c. 474, §4, is further amended to read:

P. Detectives in the employment of the Office of the Attorney General on July 1, 2020 who elect to participate in the 1998 Special Plan or hired thereafter; ~~and~~

Sec. 2. 5 MRSA §17851-A, sub-§1, ¶Q, as enacted by PL 2021, c. 474, §5, is amended to read:

Q. Civilian employees whose job responsibilities include the handling, examination or analysis of digital or physical evidence in the employment of the Department of Public Safety, Maine State Police Crime Laboratory or computer crimes unit on October 1, 2021 who elect to participate in the 1998 Special Plan or hired thereafter~~.~~; and

Sec. 3. 5 MRSA §17851-A, sub-§1, ¶R is enacted to read:

R. Employees of the Office of Chief Medical Examiner within the Department of the Attorney General on July 1, 2022 who elect to participate in the 1998 Special Plan or hired thereafter.

Sec. 4. 5 MRSA §17851-A, sub-§2, as amended by PL 2021, c. 474, §6, is further amended to read:

2. Qualification for benefits. A member employed in any one or a combination of the capacities specified in subsection 1 after June 30, 1998 and before September 1, 2002 for employees identified in subsection 1, paragraphs A and B; after June 30, 1998 for employees identified in subsection 1, paragraphs C to H; after December 31, 1999 for employees identified in subsection 1, paragraphs I to K; any employee identified in subsection 1, paragraph M; after June 30, 2020 for employees identified in subsection 1, paragraphs N to P; after September 30, 2021 for employees identified in subsection 1, paragraph Q; <u>after June 30, 2022 for employees identified in subsection 1, paragraph R;</u> and any employee identified in subsection 1, paragraph L, qualifies for a service retirement benefit if that member either:

A. Is at least 55 years of age and has completed at least 10 years of creditable service under the 1998 Special Plan in any one or a combination of the capacities; or

B. Has completed at least 25 years of creditable service in any one or a combination of the capacities specified in subsection 1, whether or not the creditable service included in determining that the 25-year requirement has been met was earned under the 1998 Special Plan or prior to its establishment.

Sec. 5. 5 MRSA §17851-A, sub-§3, ¶A, as amended by PL 2021, c. 474, §7, is further amended by amending subparagraph (1) to read:

(1) Service credit purchased by repayment of an earlier refund of accumulated contributions following termination of service is included only to the extent that time to which the refund relates was served after June 30, 1998 and before September 1, 2002 for employees identified in subsection 1, paragraphs A and B; after June 30, 1998 for employees identified in subsection 1, paragraphs C to H; after December 31, 1999 for employees identified in subsection 1, paragraphs I to K; after June 30, 2020 for employees identified in subsection 1, paragraphs N to P; ~~and~~ after September 30, 2021 for employees identified in subsection 1, paragraph Q<u>; and after June 30, 2022 for employees identified in subsection 1, paragraph R</u> in any one or a combination of the capacities specified in subsection 1. Service credit may be purchased for service by an employee identified in subsection 1, paragraphs L and M regardless of when performed; and

Sec. 6. 5 MRSA §17851-A, sub-§4, ¶A, as amended by PL 2021, c. 474, §8, is further amended to read:

A. If all of the member's creditable service in any one or a combination of the capacities specified in subsection 1 was earned after June 30, 1998 and before September 1, 2002 for employees identified in subsection 1, paragraphs A and B; after June 30, 1998 for employees identified in subsection 1, paragraphs C to H; after December 31, 1999 for employees identified in subsection 1, paragraphs I to K; after December 31, 2001 for employees identified in subsection 1, paragraph L; after June 30, 2002 for employees identified in subsection 1, paragraph M; after June 30, 2020 for employees identified in subsection 1, paragraphs N to P; ~~and~~ after September 30, 2021 for employees identified in subsection 1, paragraph Q; <u>and after June 30, 2022 for employees identified in subsection 1, paragraph R;</u> if service credit was purchased by repayment of an earlier refund of accumulated contributions for service in any one or a combination of the capacities specified in subsection 1 after June 30, 1998 and before September 1, 2002 for employees identified in subsection 1, paragraphs A and

B; after June 30, 1998 for employees identified in subsection 1, paragraphs C to H; after December 31, 1999 for employees identified in subsection 1, paragraphs I to K; after December 31, 2001 for employees identified in subsection 1, paragraph L; after June 30, 2002 for employees identified in subsection 1, paragraph M; after June 30, 2020 for employees identified in subsection 1, paragraphs N to P; ~~and~~ after September 30, 2021 for employees identified in subsection 1, paragraph Q; and after June 30, 2022 for employees identified in subsection 1, paragraph R; or if service credit was purchased by other than the repayment of an earlier refund and eligibility to make the purchase of the service credit, including, but not limited to, service credit for military service, was achieved after June 30, 1998 and before September 1, 2002 for employees identified in subsection 1, paragraphs A and B; after June 30, 1998 for employees identified in subsection 1, paragraphs C to H; after December 31, 1999 for employees identified in subsection 1, paragraphs I to K; after December 31, 2001 for employees identified in subsection 1, paragraph L; after June 30, 2002 for employees identified in subsection 1, paragraph M; after June 30, 2020 for employees identified in subsection 1, paragraphs N to P; ~~and~~ after September 30, 2021 for employees identified in subsection 1, paragraph Q; and after June 30, 2022 for employees identified in subsection 1, paragraph R, the benefit must be computed as provided in section 17852, subsection 1, paragraph A.

(1) If the member had 10 years of creditable service on July 1, 1993, the benefit under subsection 2, paragraph B must be reduced as provided in section 17852, subsection 3, paragraphs A and B.

(2) If the member had fewer than 10 years of creditable service on July 1, 1993, the benefit under subsection 2, paragraph B must be reduced by 6% for each year that the member's age precedes 55 years of age.

Sec. 7. 5 MRSA §17851-A, sub-§4, ¶B, as amended by PL 2021, c. 474, §9, is further amended to read:

B. Except as provided in paragraphs D, E and F, if some part of the member's creditable service in any one or a combination of the capacities specified in subsection 1 was earned before July 1, 1998 for employees identified in subsection 1, paragraphs A to H; before January 1, 2000 for employees identified in subsection 1, paragraphs I to K; before January 1, 2002 for employees identified in subsection 1, paragraph L; before July 1, 2002 for employees identified in subsection 1, paragraph M; before July 1, 2020 for employees identified in subsection 1, paragraphs N to P; ~~and~~ before October 1, 2021 for employees identified in subsection 1, paragraph Q; and before July 1, 2022 for employees identified in subsection 1, paragraph R and some part of the member's creditable service in any one or a combination of the capacities specified in subsection 1 was earned after June 30, 1998 and before September 1, 2002 for employees identified in subsection 1, paragraphs A and B; after June 30, 1998 for employees identified in subsection 1, paragraphs C to H; after December 31, 1999 for employees identified in subsection 1, paragraphs I to K; after December 31, 2001 for employees identified in subsection 1, paragraph L; after June 30, 2002 for employees identified in subsection 1, paragraph M; after June 30, 2020 for employees identified in subsection 1, paragraphs N to P; ~~and~~ after September 30, 2021 for employees identified in subsection 1, paragraph Q; and after June 30, 2022 for employees identified in subsection 1, paragraph R, then the member's service retirement benefit must be computed in segments and the amount of the member's service retirement benefit is the sum of the segments. The segments must be computed as follows:

(1) The segment or, if the member served in more than one of the capacities specified in subsection 1 and the benefits related to the capacities are not interchangeable under section 17856, segments that reflect creditable service earned before July 1, 1998 for employees identified in subsection 1, paragraphs A to H; before January 1, 2000 for employees identified in subsection 1, paragraphs I to K; before January 1, 2002 for employees identified in subsection 1, paragraph L; before July 1, 2002 for employees identified in subsection 1, paragraph M; before July 1, 2020 for employees identified in subsection 1, paragraphs N to P; ~~and~~ before October 1, 2021 for employees identified in subsection 1, paragraph Q; and before July 1, 2022 for employees identified in subsection 1, paragraph R or purchased by repayment of an earlier refund of accumulated contributions for service before July 1, 1998, for employees identified in subsection 1, paragraphs A to H; before January 1, 2000 for employees identified in subsection 1, paragraphs I to K; before January 1, 2002 for employees identified in subsection 1, paragraph L; before July 1, 2002 for employees identified in subsection 1, paragraph M; before July 1, 2020 for employees identified in subsection 1, paragraphs N to P; ~~and~~ before October 1, 2021 for employees identified in subsection 1, paragraph Q; and before July 1, 2022 for employees identified in subsection 1, paragraph R in a capacity or capacities specified in subsection 1 or purchased by other than the repayment of a refund and eligibility to make the purchase of the service credit, including, but not limited to, service credit for military service, was achieved before July 1, 1998 for employees identified in subsection 1, paragraphs A to H; before January 1, 2000 for employees identified in subsection 1, paragraphs I to K; before January 1, 2002 for employees identified in subsection 1, paragraph L; before July 1, 2002 for employees identified in subsection 1, paragraph M; before July 1, 2020 for employees identified in subsection 1, paragraphs N to P; ~~and~~ before October 1, 2021 for employees identified in subsection 1, paragraph Q; and before July 1, 2022 for employees identified in subsection 1, paragraph R, must be computed under section 17852, subsection 1, paragraph A. If the member is qualified under subsection 2, paragraph B and:

(a) Had 10 years of creditable service on July 1, 1993, the amount of the segment or segments must be reduced as provided in section 17852, subsection 3, paragraphs A and B; or

(b) Had fewer than 10 years of creditable service on July 1, 1993, the amount of the segment or segments must be reduced as provided in section 17852, subsection 3-A; and

(2) The segment that reflects creditable service earned after June 30, 1998 and before September 1, 2002 for employees identified in subsection 1, paragraphs A and B; after June 30, 1998 for employees identified in subsection 1, paragraphs C to H; after December 31, 1999 for employees identified in subsection 1, paragraphs I to K; after December 31, 2001 for employees identified in subsection 1, paragraph L; after June 30, 2002 for employees identified in subsection 1, paragraph M; after June 30, 2020 for employees identified in subsection 1, paragraphs N to P; ~~and~~ after September 30, 2021 for employees identified in subsection 1, paragraph Q;

and after June 30, 2022 for employees identified in subsection 1, paragraph R or purchased by repayment of an earlier refund of accumulated contributions for service after June 30, 1998 and before September 1, 2002 for employees identified in subsection 1, paragraphs A and B; after June 30, 1998 for employees identified in subsection 1, paragraphs C to H; after December 31, 1999 for employees identified in subsection 1, paragraphs I to K; after December 31, 2001 for employees identified in subsection 1, paragraph L; after June 30, 2002 for employees identified in subsection 1, paragraph M; after June 30, 2020 for employees identified in subsection 1, paragraphs N to P; ~~and~~ after September 30, 2021 for employees identified in subsection 1, paragraph Q; and after June 30, 2022 for employees identified in subsection 1, paragraph R in any one or a combination of the capacities specified in subsection 1, or purchased by other than the repayment of a refund and eligibility to make the purchase of the service credit, including, but not limited to, service credit for military service, was achieved after June 30, 1998 and before September 1, 2002 for employees identified in subsection 1, paragraphs A and B; after June 30, 1998 for employees identified in subsection 1, paragraphs C to H; after December 31, 1999 for employees identified in subsection 1, paragraphs I to K; after December 31, 2001 for employees identified in subsection 1, paragraph L; after June 30, 2002 for employees identified in subsection 1, paragraph M; after June 30, 2020 for employees identified in subsection 1, paragraphs N to P; ~~and~~ after September 30, 2021 for employees identified in subsection 1, paragraph Q; and after June 30, 2022 for employees identified in subsection 1, paragraph R must be computed under section 17852, subsection 1, paragraph A. If the member is qualified under subsection 2, paragraph B and:

(a) Had 10 years of creditable service on July 1, 1993, the segment amount must be reduced in the manner provided in section 17852, subsection 3, paragraphs A and B for each year that the member's age precedes 55 years of age; or

(b) Had fewer than 10 years of creditable service on July 1, 1993, the segment amount must be reduced by 6% for each year that the member's age precedes 55 years of age.

Sec. 8. 5 MRSA §17851-A, sub-§5, as amended by PL 2021, c. 474, §10, is further amended to read:

5. Contributions. Notwithstanding any other provision of subchapter 3, after June 30, 1998 and before September 1, 2002 for employees identified in subsection 1, paragraphs A and B; after June 30, 1998 for employees identified in subsection 1, paragraphs C to H; after December 31, 1999 for employees identified in subsection 1, paragraphs I to K; after December 31, 2001 for employees identified in subsection 1, paragraph L; after June 30, 2002 for employees identified in subsection 1, paragraph M; after June 30, 2020 for employees identified in subsection 1, paragraphs N to P; ~~and~~ after September 30, 2021 for employees identified in subsection 1, paragraph Q; and after June 30, 2022 for employees identified in subsection 1, paragraph R, a member in the capacities specified in subsection 1 must contribute to the State Employee and Teacher Retirement Program or have pick-up contributions made at the rate of 8.65% of earnable compensation until the member has completed 25 years of creditable service as provided in this section and at the rate of 7.65% thereafter.

Sec. 9. Transition. If an employee in the employment of the Office of Chief Medical Examiner within the Department of the Attorney General on July 1, 2022 elects to participate in the 1998 Special Plan of the Maine Public Employees Retirement System, as provided in the Maine Revised Statutes, Title 5, section 17851-A, subsection 1, that employee must make that election not later than September 30, 2022 and that employee's participation in the 1998 Special Plan becomes effective October 1, 2022.

Emergency clause. In view of the emergency cited in the preamble, this legislation takes effect when approved.

SUMMARY

This bill allows employees in the employment of the Office of Chief Medical Examiner within the Department of the Attorney General to elect to participate in the 1998 Special Retirement Plan of the Maine Public Employees Retirement System. Under that plan, a person may retire at a reduced benefit at 55 years of age with 10 years of creditable service or before 55 years of age with 25 years of creditable service.

130th MAINE LEGISLATURE

SECOND REGULAR SESSION-2022

Legislative Document	**No. 1753**
S.P. 613	In Senate, December 2, 2021

An Act Regarding the Retirement of Law Enforcement Officers under the Participating Local District Retirement Program

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 203.

Received by the Secretary of the Senate on November 30, 2021. Referred to the Committee on Labor and Housing pursuant to Joint Rule 308.2 and ordered printed.

DAREK M. GRANT
Secretary of the Senate

Presented by Senator DAVIS of Piscataquis.
Cosponsored by Senators: BLACK of Franklin, CYRWAY of Kennebec.

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 5 MRSA §18453, sub-§6, as enacted by PL 1985, c. 801, §§5 and 7, is amended to read:

6. Police Officer Special Plan #1. A retirement benefit equal to 1/2 of ~~his~~ the average final compensation to a police officer, including the chief of a police department, who has completed at least 25 years of creditable service in that capacity and who retires ~~upon or after reaching age 55~~ at any age.

Sec. 2. 5 MRSA §18453, sub-§7, as amended by PL 1993, c. 387, Pt. A, §24, is further amended to read:

7. Police Officer Special Plan #2. A retirement benefit to a police officer, including the chief of a police department, who has completed at least 25 years of creditable service in that capacity and who retires ~~upon or after reaching age 55~~ at any age. The ~~benefits shall be~~ benefit is computed as follows:

A. Except as provided under paragraph B, 2/3 of ~~his~~ the average final compensation; or

B. If the member's benefit would be greater, the part of the service retirement benefit based upon membership service before July 1, 1977, is determined, on a pro rata basis, on the member's current final compensation and the part of the service retirement benefit based upon membership service after June 30, 1977, is determined in accordance with paragraph A.

Sec. 3. 5 MRSA §18453, sub-§9, as amended by PL 2001, c. 368, §3, is further amended to read:

9. Sheriff, ~~Deputy Sheriff~~ deputy sheriff and other county corrections employee special plan. A retirement benefit equal to 1/2 of the average final compensation to a sheriff, deputy sheriff or county corrections employee who has completed at least 25 years of creditable service in that capacity and who retires ~~upon or after reaching age 55~~ at any age. For the purposes of this subsection, "county corrections employee" means an employee of a county who is employed at a county jail and whose duties include contact with prisoners or juvenile detainees.

SUMMARY

This bill changes special plans under the Participating Local District Retirement Program so that law enforcement officers may retire after 25 years of creditable service regardless of age, instead of after reaching 55 years of age as in current law.

130th MAINE LEGISLATURE

SECOND REGULAR SESSION-2022

Legislative Document	**No. 1772**
H.P. 1323	House of Representatives, December 2, 2021

An Act To Amend the Remote Meeting Law in Maine's Freedom of Access Act

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 203.

Received by the Clerk of the House on November 30, 2021. Referred to the Committee on Judiciary pursuant to Joint Rule 308.2 and ordered printed pursuant to Joint Rule 401.

ROBERT B. HUNT
Clerk

Presented by Representative HARNETT of Gardiner.
Cosponsored by Senator BAILEY of York and
Representatives: CUDDY of Winterport, DODGE of Belfast, GRAMLICH of Old Orchard Beach, MORIARTY of Cumberland, WHITE of Waterville.

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 1 MRSA §403-B, sub-§2, ¶B, as enacted by PL 2021, c. 290, §1, is repealed.

Sec. 2. 1 MRSA §403-B, sub-§2, ¶E, as enacted by PL 2021, c. 290, §1, is amended to read:

E. Notice of the proceeding must be provided in accordance with section 406. When the public may attend by remote methods pursuant to paragraphs C and D, the notice must include the means by which members of the public may access the proceeding using remote methods. The notice must also identify a location for members of the public to attend in person. The body may ~~not determine that~~ limit public attendance at a proceeding ~~will be limited~~ solely to remote methods ~~except under the conditions in paragraph B, subparagraph (1)~~ if there is an emergency or urgent situation that requires the body to meet only by remote methods;

Sec. 3. 1 MRSA §403-B, sub-§4, as enacted by PL 2021, c. 290, §1, is amended to read:

4. Application. This section applies to a board or committee under the jurisdiction of a public body that has adopted a written policy pursuant to subsection 2, paragraph A. This section does not apply to:

A. The Legislature; or

B. A public body to which specific statutory provisions for remote participation apply.

SUMMARY

This bill amends the law governing remote participation in public meetings in the Freedom of Access Act to remove the requirement that a remote meeting policy adopted by a public body must include an expectation that members of the public body be physically present. It allows the public body to limit public attendance at a proceeding solely to remote methods if there is an emergency or urgent situation that requires the public body to meet only by remote methods. It also provides that the law governing remote participation in public meetings applies to a board or committee within the jurisdiction of a public body adopting a written remote meeting policy.

130th MAINE LEGISLATURE

SECOND REGULAR SESSION-2022

Legislative Document	**No. 1808**
S.P. 635	In Senate, December 17, 2021

An Act To Address Employee Retention at the Maine State Police Crime Laboratory and the Computer Crimes Unit in the Department of Public Safety

(EMERGENCY)

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 203.

Received by the Secretary of the Senate on December 15, 2021. Referred to the Committee on Labor and Housing pursuant to Joint Rule 308.2 and ordered printed.

DAREK M. GRANT
Secretary of the Senate

Presented by Senator DIAMOND of Cumberland.
Cosponsored by Representative COLLINGS of Portland and
Senators: HICKMAN of Kennebec, POULIOT of Kennebec, Representative: MORRIS of Turner.

Emergency preamble. Whereas, acts and resolves of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, this legislation must take effect as soon as possible to help retain employees affected by Public Law 2021, chapter 474, which specifies that employees' retirement benefits prior to switching to the 1998 Special Plan are calculated under the old plan and not the 1998 Special Plan; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

Be it enacted by the People of the State of Maine as follows:

Sec. 1. Computation of service retirement benefits for certain employees of the Department of Public Safety, Maine State Police Crime Laboratory and computer crimes unit. Notwithstanding the Maine Revised Statutes, Title 5, section 17851-A, subsection 4 or any other provision of law to the contrary, the service retirement benefit of a qualified member must be computed on the basis of all of the qualified member's creditable service in the capacity specified in Title 5, section 17851-A, subsection 1, paragraph Q, regardless of when that creditable service was earned, except that for a member qualifying for a retirement benefit under Title 5, section 17851-A, subsection 2, paragraph B:

1. If the member had 10 years of creditable service on July 1, 1993, the benefit must be reduced as provided in Title 5, section 17852, subsection 3, paragraphs A and B for each year the member's age precedes 55 years of age; or

2. If the member had fewer than 10 years of creditable service on July 1, 1993, the benefit must be reduced by 6% for each year that the member's age precedes 55 years of age.

Sec. 2. Qualified member; definition. As used in this Act, "qualified member" means a member on the effective date of this Act to whom the Maine Revised Statutes, Title 5, section 17851-A, subsection 1, paragraph Q applies and who was employed by the Department of Public Safety, Maine State Police Crime Laboratory or computer crimes unit prior to October 1, 2021.

As used in this Act, the terms "creditable service," "member" and "retirement benefit" have the same meanings as in Title 5, section 17001.

Emergency clause. In view of the emergency cited in the preamble, this legislation takes effect when approved.

SUMMARY

This bill requires that service retirement benefits for employees of the Department of Public Safety, Maine State Police Crime Laboratory and computer crimes unit included in the 1998 Special Plan be computed on the same basis as are benefits for other members under the plan; creditable service is included regardless of when that service was earned.

130th MAINE LEGISLATURE

SECOND REGULAR SESSION-2022

Legislative Document	**No. 1840**
S.P. 658	In Senate, December 22, 2021

An Act To Amend the Laws Governing Retirement Benefit Reductions for Corrections Supervisors Currently Included in the 1998 Special Plan

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 203.

Received by the Secretary of the Senate on December 20, 2021. Referred to the Committee on Labor and Housing pursuant to Joint Rule 308.2 and ordered printed.

DAREK M. GRANT
Secretary of the Senate

Presented by President JACKSON of Aroostook.
Cosponsored by Representative PLUECKER of Warren and
Senator: HICKMAN of Kennebec, Representative: SYLVESTER of Portland.

Be it enacted by the People of the State of Maine as follows:

Sec. 1. Computation of service retirement benefits for certain employees of the Department of Corrections. Notwithstanding the Maine Revised Statutes, Title 5, section 17851-A, subsection 4 or any other provision of law to the contrary, the service retirement benefit of a qualified member must be computed on the basis of all of the qualified member's creditable service in the capacity specified in Title 5, section 17851-A, subsection 1, paragraph I, regardless of when that creditable service was earned, except that for a member qualifying for a retirement benefit under Title 5, section 17851-A, subsection 2, paragraph B:

1. If the member had 10 years of creditable service on July 1, 1993, the benefit must be reduced as provided in Title 5, section 17852, subsection 3, paragraphs A and B for each year the member's age precedes 55 years of age; or

2. If the member had fewer than 10 years of creditable service on July 1, 1993, the benefit must be reduced by 6% for each year that the member's age precedes 55 years of age.

Sec. 2. Qualified member; definition. As used in this Act, "qualified member" means a member on the effective date of this Act to whom the Maine Revised Statutes, Title 5, section 17851-A, subsection 1, paragraph I applies and who:

1. Was employed by the Department of Corrections prior to January 1, 2000; and

2. Is employed as a supervisor of correctional officers in a correctional facility as defined in Title 34-A, section 1001, subsection 6.

As used in this Act, the terms "creditable service," "member" and "retirement benefit" have the same meanings as in Title 5, section 17001.

SUMMARY

This bill requires that service retirement benefits for employees of the Department of Corrections who are supervisors of correctional officers, who are included in the 1998 Special Plan as of the effective date of the bill and who were employed prior to January 1, 2000 be computed on the same basis as benefits for other members under the plan are computed; creditable service is included regardless of when that service was earned.

130th MAINE LEGISLATURE

SECOND REGULAR SESSION-2022

Legislative Document	**No. 1901**
H.P. 1408	House of Representatives, January 5, 2022

An Act To Protect Funding for Health Care for Retired Teachers by Establishing an Investment Trust Fund

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 203.

Reference to the Committee on Labor and Housing suggested and ordered printed.

ROBERT B. HUNT
Clerk

Presented by Representative DODGE of Belfast.
Cosponsored by Representatives: COLLINGS of Portland, McCREA of Fort Fairfield, MILLETT of Cape Elizabeth, PEBWORTH of Blue Hill, SALISBURY of Westbrook, SYLVESTER of Portland, TERRY of Gorham, Senator: DAUGHTRY of Cumberland.

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 5 MRSA §286-B, sub-§1, ¶B, as enacted by PL 2007, c. 240, Pt. RRR, §1, is amended to read:

B. "Investment trust ~~fund~~ funds" means the Retiree Health Insurance Post-employment Benefits Investment Trust Fund established under section 17432 and the Retired Teacher Health Insurance Post-employment Benefits Investment Trust Fund established under section 17442.

Sec. 2. 5 MRSA §286-B, sub-§3, as amended by PL 2011, c. 380, Pt. Y, §1, is further amended to read:

3. Trustees. The trustees of the irrevocable trust funds are as follows.

A. The Treasurer of State and the State Controller shall serve as trustees of the state employee plan and the teacher plan.

B. An independent, nongovernmental entity with a physical presence in the State selected by the Treasurer of State with the advice of the State Controller and municipal~~,~~ ~~school management and education~~ associations pursuant to the process set forth in Title 5, chapter 155 shall serve as the trustee of ~~the teacher plan and~~ the first responder plan.

Sec. 3. 5 MRSA §286-B, sub-§5, as amended by PL 2011, c. 380, Pt. Y, §1, is further amended to read:

5. Investment of funds. The trustees of the investment trust ~~fund~~ funds are responsible for the investment and reinvestment of the funds appropriated to the irrevocable trust funds and transferred to the investment trust ~~fund~~ funds in accordance with the Maine Uniform Trust Code and the Maine Uniform Prudent Investor Act under Title 18-B, subject to the guidelines set for the investment trust ~~fund~~ funds in ~~section~~ sections 17435 and 17445, respectively.

Sec. 4. 5 MRSA c. 421, sub-c. 4, art. 10 is enacted to read:

ARTICLE 10

RETIRED TEACHER HEALTH INSURANCE POST-EMPLOYMENT BENEFITS INVESTMENT TRUST FUND

§17441. Definitions

As used in this article, unless the context otherwise indicates, the following terms have the following meanings.

1. Assets of the investment trust fund. "Assets of the investment trust fund" means the funds appropriated or otherwise provided to fund the investment trust fund, together with the interest, earnings and returns on the funds.

2. Commissioner. "Commissioner" means the Commissioner of Administrative and Financial Services.

3. Investment trust fund. "Investment trust fund" means the Retired Teacher Health Insurance Post-employment Benefits Investment Trust Fund established in section 17442.

4. Investment trust fund agreement. "Investment trust fund agreement" means the trust agreement to be entered into by the State and the trustees of the investment trust fund.

5. System. "System" means the Maine Public Employees Retirement System.

§17442. Establishment

1. Investment trust fund established. The Retired Teacher Health Insurance Post-employment Benefits Investment Trust Fund is established as an irrevocable trust for the sole purpose of holding and investing funds appropriated or otherwise provided to the investment trust fund for the benefit of the Irrevocable Trust Fund for Other Post-employment Benefits for the teacher plan established in section 286-B with respect to the State's liabilities for retiree health benefits. The purpose of accumulating assets in this investment trust fund is to provide funding of the State's unfunded liability obligations for health benefits for retired teachers. The Legislature has no authority or power to divert any of the assets of the investment trust fund to use for any other purpose.

2. Date of establishment. The date of establishment of the investment trust fund is January 1, 2023.

3. Trustees. The trustees of the investment trust fund are the members of the Board of Trustees of the Maine Public Employees Retirement System.

§17443. Statutory references

Notwithstanding that this article is placed in the Maine Revised Statutes in Part 20, chapter 421, subchapter 4, any reference to "Part," "in this Part," "under this Part" or similar wording in Part 20 is inapplicable to every provision in this article. This article stands apart from all other provisions of this Part except by explicit reference.

§17444. Administration of investment trust fund

1. Administration. The trustees of the investment trust fund may delegate to the executive director, chief investment officer or other staff of the system as appropriate the responsibility to carry out, as directed by the trustees of the investment trust fund, the administration of the investment trust fund and its investment and disbursement activities.

2. Expenses. Associated administrative costs and expenses attributable to the investment trust fund must be charged to the investment trust fund.

§17445. Duties of trustees of investment trust fund

The trustees of the investment trust fund have the following duties.

1. Manage assets. The trustees of the investment trust fund shall hold, invest, reinvest and manage assets appropriated to the investment trust fund and all other assets of the investment trust fund for the sole benefit of the Irrevocable Trust Fund for Other Post-employment Benefits for the teacher plan established in section 286-B and may not encumber, invest, divest or disburse the funds for any other purpose. The trustees of the investment trust fund have full power to hold, purchase, sell, assign, transfer and dispose of any such assets and investments and will provide for all necessary services with respect to such assets.

The primary goals of the investment trust fund are the preservation and growth of principal in accordance with long-term investment assumptions established from time to time by the Board of Trustees of the Maine Public Employees Retirement System for the defined benefits plans of the system, as considered appropriate by the trustees of the investment trust fund.

2. Investment policy. Except as provided in subsection 3, the trustees of the investment trust fund shall determine and revise as necessary an appropriate investment trust fund investment policy, including but not limited to provisions for asset allocation and investment strategy. This policy must take into account the following factors as established by the trustees of the Irrevocable Trust Fund for Other Post-employment Benefits for the teacher plan established in section 286-B, subsection 2 and as may be revised in the investment trust fund agreement from time to time:

A. A long-term time horizon for the assets of the investment trust fund;

B. A funding plan; and

C. A projected disbursement schedule that does not begin before the year 2033.

3. Transfer of funds before policy established. Any funds transferred to the investment trust fund prior to the establishment of the investment policy in subsection 2 must be held and transitionally invested in a prudent manner as determined by the trustees of the investment trust fund.

4. Investment and management of assets. The trustees of the investment trust fund shall invest and manage the assets of the investment trust fund in accordance with the requirements of subsections 1 and 2 and with the reasonable care, skill and expertise of a prudent investor.

5. Investment expenses. The trustees of the investment trust fund may incur reasonable investment expenses payable from the assets of the investment trust fund, including but not limited to services of investment managers, investment consultants, actuaries, investment counsel, banks and trust companies and other investment professionals or advisors as they consider necessary and prudent in determining investment policy, in investing funds and in liquidating assets.

6. Disbursement of funds. The trustees of the investment trust fund may disburse funds from the investment trust fund only to the Irrevocable Trust Fund for Other Post-employment Benefits for the teacher plan as established in section 286-B, subsection 2. The trustees of the Irrevocable Trust Fund for Other Post-employment Benefits for the teacher plan must present jointly a lawful payment order. The trustees of the investment trust fund have no responsibility to ensure that the stated use or actual use by the trustees of the Irrevocable Trust Fund for Other Post-employment Benefits for the teacher plan of such money is to fund retiree health benefits. The trustees of the investment trust fund's duties under the investment trust fund are discharged by disbursing money under the terms of this subsection.

7. Report. The trustees of the investment trust fund shall provide annually a report to the State, the trustees of the Irrevocable Trust Fund for Other Post-employment Benefits for the teacher plan established in section 286-B, subsection 2, the joint standing committee of the Legislature having jurisdiction over the system and the joint standing committee of the Legislature having jurisdiction over appropriations and financial affairs. The trustees of the investment trust fund shall provide quarterly to the trustees of the Irrevocable Trust Fund for Other Post-employment Benefits for the teacher plan a report of the performance of the investment trust fund.

§17446. Liability and immunity of trustees of investment trust fund

1. Limited liability of trustees of investment trust fund. A trustee of the investment trust fund is not:

A. Personally liable for any liability, loss or expense suffered by the investment trust fund, unless such a liability, loss or expense arises out of or results from the willful misconduct or intentional wrongdoing of that trustee of the investment trust fund;

B. Responsible for the adequacy of the investment trust fund to meet and discharge any obligation; or

C. Required to take action to enforce the payment of any contribution or appropriation to the investment trust fund.

2. Immunity of trustees of investment trust fund. The trustees of the investment trust fund are immune from suit on any tort claims seeking recovery of damages to the same extent as governmental entities under the Maine Tort Claims Act.

3. Legal representation and defense of trustees of investment trust fund. The Attorney General is legal counsel to the trustees of the investment trust fund and shall represent and defend the trustees of the investment trust fund, as a group and individually, in connection with any claim, suit or action at law arising out of the performance or nonperformance of any actions related to the investment trust fund to the same extent as provided for governmental entities under the Maine Tort Claims Act.

4. Performance of essential governmental functions. The exercise of the powers conferred by this article is held to be the performance of essential governmental functions.

§17447. Exemption from taxation

The money in the investment trust fund is exempt from any state, county or municipal tax in the State.

§17448. Reporting requirements under Governmental Accounting Standards Board

The system and trustees of the investment trust fund have no obligation to comply with reporting requirements related to the investment trust fund under Governmental Accounting Standards Board Statement Number 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, or Governmental Accounting Standards Board Statement Number 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. The State is obligated to comply with the reporting requirements under Governmental Accounting Standards Board Statement Number 74 and Governmental Accounting Standards Board Statement Number 75. The system shall account for the assets of the investment trust fund in its annual financial statements.

§17449. Information for administrative or judicial proceedings

If information regarding the investment trust fund is required from the system or the trustees of the investment trust fund for an administrative or judicial proceeding, the party seeking the information must file a written request for that information with the executive director of the Maine Public Employees Retirement System. The executive director or the executive director's designee shall make a certified response to that request within 30 days and the certified response is admissible as evidence in any administrative or judicial proceeding. A subpoena or other form of discovery directed at obtaining the information may not be issued nor may employees of the system be required to testify on the subjects covered by the certified response unless there is an express finding by an administrative agency or a court that there is a compelling necessity to permit further discovery or to require testimony. The executive director shall notify the trustees of the Irrevocable Trust Fund for Other Post-employment Benefits for the teacher plan established in section 286-B, subsection 2 immediately of any request for information, subpoena or other form of discovery.

SUMMARY

This bill establishes the Retired Teacher Health Insurance Post-employment Benefits Investment Trust Fund to protect funding for health care for retired teachers. It also designates the Treasurer of State and the State Controller as trustees of the Irrevocable Trust Fund for Other Post-employment Benefits for the teacher plan.

MainePERS
PUBLIC EMPLOYEES RETIREMENT SYSTEM

CHIEF EXECUTIVE OFFICER
Dr. Rebecca M. Wyke

December 29, 2021

Senator Craig Hickman, Senate Chair
Representative Mike Sylvester, House Chair
Members, Joint Standing Committee on Labor and Housing
100 State House Station
Augusta, ME 04333-0100

Re: Cooperation of Statewide Retirement Systems on the Windfall Elimination Provision ("WEP") and Government Pension Offset ("GPO")

Dear Senator Hickman, Representative Sylvester, and Members of the Joint Standing Committee on Labor and Housing:

I am pleased to submit the enclosed report on Cooperation of Statewide Retirement Systems on the WEP and GPO, which is required by Resolve 2021, chapter 84.

We look forward to assisting the Committee in its review of the report.

Sincerely,

Dr. Rebecca M. Wyke
Chief Executive Officer

RMW/mg

Enclosure

Resolve 2021, Chapter 84 – Report to the Joint Standing Committee on Labor and Housing

Cooperation of Statewide Retirement Systems on the WEP and GPO

MainePERS
PUBLIC EMPLOYEES RETIREMENT SYSTEM

December 29, 2021
Prepared by: Maine Public Employees Retirement System

Resolve 2021, Chapter 84 Report to the Joint Standing Committee on Labor and Housing

PREPARED BY MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

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RESOLVE 2021, CHAPTER 84

Resolve 2021, chapter 84 directs the Maine Public Employees Retirement System (MainePERS) to study and report on how statewide retirement systems affected by the Windfall Elimination Provision (WEP) and Government Pension Offset (GPO) can cooperate on solutions to mitigate the effects of these provisions.

Chapter 84 includes provisions requiring MainePERS to:

- Study cooperation and any potential cooperation among statewide retirement systems affected by the WEP and GPO;
- Consult with any applicable retirement associations as necessary;[1] and
- Submit a report with any recommendations to the Joint Standing Committee on Labor and Housing by January 1, 2022.

Following submission of information received from MainePERS, chapter 84 states that the Joint Standing Committee on Labor and Housing "may report out a bill based on the report and recommendations to the Second Regular Session of the 130th Legislature."

BACKGROUND

Social Security

The Social Security Act of 1935 created the Social Security program. The Federal Insurance Contribution Act (FICA) enabled collection of payroll taxes beginning in 1937.

The original Social Security Act of 1935 excluded state and local government employees from Social Security coverage because of unresolved legal questions regarding the federal government's authority to tax state and local governments.

Beginning in 1951, an amendment to the Act allowed state and local governments to enter into voluntary agreements with the Federal government to provide Social Security coverage to their public employees. Section 218 of the Social Security Act authorized these "Section 218 Agreements."

Nearly all states have public employee retirement plans that are not covered by Section 218 Agreements and remain exempt from Social Security. The vast majority of retirement plans not under Section 218 agreements are smaller local government plans, although the majority of the

[1] MainePERS has consulted with the National Association of State Retirement Administrators and the Coalition to Preserve Retirement Security in preparing this report.

approximately 6.4 million individuals not covered appear to be in larger statewide plans.[2] The largest share of non-covered state and local government employees work at the local level, and most non-covered local government employees are police officers, firefighters, and teachers.[3]

Over the years, most states have entered into 218 Agreements for at least part of their statewide retirement systems, providing retirement coverage by both Social Security and a supplemental retirement plan.[4]

Fifteen statewide retirement systems do not participate in Social Security under a 218 Agreement for at least some of their members. Actual coverage varies state to state depending on the structure of their retirement systems. For example, Texas has separate systems for teachers and state employees – most Texas teachers are in one retirement system that remains out of Social Security, while Texas state employees are in another system with Social Security coverage. Similarly, some states have school districts or local governments within their plans that are under Section 218 Agreements while others are not. Maine state employees and teachers are in a single retirement system that remains outside of Social Security.

Statewide Retirement Systems Remaining Primarily Out of Social Security[5]

All State and Teachers	Some State or Teachers
Alaska	California
Colorado	Connecticut
Louisiana	Georgia
Maine	Illinois
Massachusetts	Kentucky
Nevada	Missouri
Ohio	Rhode Island
	Texas

Federal Requirements for Remaining Out of Social Security

Social Security payments are not required for government employees if they are (1) not in a position that is covered by a Section 218 Agreement and (2) a member of a qualified Social Security replacement plan. One of the key factors involved in determining qualified replacement plan status is the level of benefits the plan provides, i.e. what level of replacement income the plan provides at retirement.

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[2] See Federal State Reference Guide, IRS Publication 963, July 2020, https://www.irs.gov/pub/irs-pdf/p963.pdf.
[3] See Publication 963, https://www.irs.gov/pub/irs-pdf/p963.pdf.
[4] See Congressional Research Service, https://crsreports.congress.gov/product/pdf/RS/98-35, for more information about the WEP.
[5] National Association of State Retirement Administrators, https://www.nasra.org/socialsecurity.

Maine State Employee and Teacher Retirement Program

The State of Maine created the State Employee and Teacher Retirement Program (State/Teacher Plan) in 1942. The State has maintained this plan as a qualified replacement plan and has never entered into a Section 218 Agreement covering members of the plan.

With respect to both average and maximum benefits paid, the State/Teacher Plan benefit exceeds the benefit provided by Social Security for a similar cost. While the cost of Social Security remains constant at 12.4% of payroll unless permanently changed by Congress, the 12% +/-[6] normal cost of the State/Teacher Plan fluctuates based on plan demographics, economic factors, and investment returns.

Impacts of Remaining Out of Social Security

There are three primary considerations relating to the existing status of the State/Teacher Plan as exempt from Social Security:

1. Neither employers nor employees currently pay the 12.4% (6.2% each) cost of payroll for Social Security;
2. *WEP* – If a State/Teacher Plan member receives a retirement benefit from the Plan, any Social Security benefits they earned from other work covered by Social Security may be reduced by 10-60% depending on the number of years worked in those positions (see Attachment 1); and
3. *GPO* – Social Security spousal benefits are reduced by two-thirds of any pension benefits received for governmental work not covered by Social Security (see Attachment 2).

The WEP was designed to make Social Security benefits equivalent between those who paid into Social Security for all of their earnings and those who paid into Social Security for some, but not all of their earnings. This is because Social Security benefits are weighted toward workers with lower lifetime earnings. Before the WEP was adopted, "people whose primary job wasn't covered by Social Security had their Social Security benefits calculated as if they were long-term, low-wage workers. They had the advantage of receiving a Social Security benefit representing a higher percentage of their earnings, plus a pension from a job for which they didn't pay Social Security taxes." (See Attachment 1). Many workers in retirement plans exempt from Social Security will work for fewer years in Social Security, benefitting from the weighting originally intended for low-wage workers. The WEP formula was intended to address this, although the many legislative attempts to repeal or revise the original WEP formula suggest that it could be improved.

[6] The cost of the State/Teacher Plan is the 7.65% of income paid by most employees plus the normal costs paid by employers, which range from 3.84% of payroll for teachers to 4.08% of payroll for the State for FY2022. Costs for special plans are higher. The State/Teacher Plan can incur Unfunded Actuarial Liability (UAL) costs on top of the normal costs. Social Security is a tax, and therefore a static cost of 6.2% for employees and 6.2% for employers is required unless changed by Congress.

The GPO does not reduce a worker's own Social Security benefit. It reduces benefits the worker is receiving as a spouse or surviving spouse of a Social Security participant. The spousal benefit was adopted in the 1930s "to compensate spouses who stayed home to raise a family and were financially dependent on the working spouse." (See Attachment 2). Where both spouses earn their own Social Security benefit, the spousal benefit is reduced dollar-for-dollar by the worker's own benefit. This is known as the "dual entitlement rule." The GPO was enacted in 1977 to create a comparable reduction to the Social Security spousal benefit for workers who are not covered by Social Security but receive a government pension. The GPO initially was a dollar-for-dollar reduction to the spousal benefit for the pension benefit but was changed through a political compromise in 1983 to be a reduction of two-thirds of the government pension. Therefore, the GPO imposes a smaller benefit reduction than the dual entitlement rule imposes on workers covered by Social Security.[7]

STATEWIDE RETIREMENT SYSTEM COOPERATION

Statewide retirement system cooperation could address the WEP and GPO through support for federal legislation that decreases or eliminates the reductions.

Coalition to Preserve Retirement Security

The WEP and GPO affect the members of all public retirement plans that remain exempt from Social Security if the members have earned Social Security benefits from other work. In Maine, it is one of the key issues state and federal officials hear about from their constituents.

Eliminating or changing the WEP and GPO has been discussed and debated for years, but can only be addressed at the federal level. The WEP and GPO are provisions of the federal Social Security program intended roughly to equalize Social Security benefits for workers with similar earnings histories inside and outside of the Social Security System.

Several years ago, many of the statewide systems that remain exempt from coverage formed the Coalition to Preserve Retirement Security (CPRS), a non-profit organization whose members face issues relating to government retirement plans not covered by Social Security. Among other activities, CPRS tracks federal legislation regarding changing or eliminating the WEP and GPO.

Federal Legislation

Several pieces of federal legislation to reduce the impact of the WEP and GPO have been introduced over the years, but none has been enacted. Federal legislation currently pending to change the WEP includes The Public Servants Protection and Fairness Act of 2021.[8] Sponsored

[7] *See* Congressional Research Service, https://crsreports.congress.gov/product/pdf/RL/RL32453/35, for more information about the GPO.
[8] The full text of the bill can be found at https://www.congress.gov/117/bills/hr2337/BILLS-117hr2337ih.pdf.

by House Committee on Ways & Means Chair Richard E. Neal, the bill was introduced in April of 2021. See Attachment 3 for an overview of this proposed legislation. This bill does not address the GPO.

The strength of this proposal is that it:

- Guarantees benefits so that no retiree can be worse off as a result of the bill;
- Provides up to $150/month to current Social Security beneficiaries (and those turning 62 before 2023) affected by the WEP;
- Uses a new Public Servant Protection (PSP) formula for new retirees based on all employment in covered and non-covered jobs, paying Social Security benefits in proportion to the share of a worker's earnings that were covered for Social Security purposes;
- Pays benefits based on the higher of the PSP formula or the original WEP formula;
- Provides for no benefit cuts relative to the current law; and
- Protects Social Security trust funds with general revenue transfers to cover the estimated $30.6 billion cost over the period 2021 through 2030.[9]

MAINEPERS' RECOMMENDATION

Ample cooperation between retirement plans not participating in Social Security currently exists, primarily through the CPRS. This cooperation includes tracking federal legislation to mitigate the impacts of the current WEP and GPO provisions.

No readily identifiable gap in the existing cooperation through CPRS could improve cooperation as requested by chapter 84.

MainePERS will alert employer and employee associations with membership in MainePERS regarding The Public Servants Protection and Fairness Act of 2021. These are the organizations best suited to represent their membership in support or opposition to this federal legislation intended to mitigate the impacts of the WEP.

MainePERS is preparing reports in response to Resolve 2021, chapters 66 and 72. Chapter 66 directs MainePERS to convene a working group to investigate public pension plan options based on entering Social Security. Chapter 72 requires MainePERS to examine options for teachers to participate in Social Security. Any such options would eliminate the impact of the WEP and GPO

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[9] See Letter from the Office of the Chief Actuary, Social Security Administration, for an estimate of the financial effects on the Social Security Trust Funds from the bill, https://waysandmeans.house.gov/sites/democrats.waysandmeans.house.gov/files/documents/ActuaryLetter_20210401.pdf.

for future service by affected members, but would not address the Social Security benefit reduction based on past earnings that were exempt from Social Security.

Windfall Elimination Provision

Your Social Security retirement or disability benefits can be reduced

The Windfall Elimination Provision can affect how we calculate your retirement or disability benefit. If you work for an employer who doesn't withhold Social Security taxes from your salary, such as a government agency or an employer in another country, any retirement or disability pension you get from that work can reduce your Social Security benefits.

When your benefits can be affected

This provision can affect you when you earn a retirement or disability pension from an employer who didn't withhold Social Security taxes ***and*** you qualify for Social Security retirement or disability benefits from work in other jobs for which you did pay taxes.

The Windfall Elimination Provision can apply if:

- You reached age 62 after 1985; or
- You became disabled after 1985; and
- You first became eligible for a monthly pension based on work where you didn't pay Social Security taxes after 1985. This rule applies even if you're still working.

This provision also affects Social Security benefits for people who performed federal service under the Civil Service Retirement System (CSRS) after 1956. We won't reduce your Social Security benefit amounts if you only performed federal service under a system such as the Federal Employees' Retirement System (FERS). Social Security taxes are withheld for workers under FERS.

How it works

Social Security benefits are intended to replace only some of a worker's pre-retirement earnings.

We base your Social Security benefit on your average monthly earnings adjusted for average wage growth. We separate your average earnings into three amounts and multiply the amounts using three factors to compute your full Primary Insurance Amount (PIA). For example, for a worker who turns 62 in 2021, the first $996 of average monthly earnings is multiplied by 90 percent; earnings between $996 and $6,002 are multiplied by 32 percent; and the balance by 15 percent. The sum of the three amounts equals the PIA, which is then decreased or increased depending on whether the worker starts benefits before or after full retirement age (FRA). This formula produces the monthly payment amount.

When we apply this formula, the percentage of career average earnings paid to lower-paid workers is greater than higher-paid workers. For example, workers age 62 in 2021, with average earnings of $3,000 per month could receive a benefit at FRA of $1,537 (approximately 50 percent) of their pre-retirement earnings increased by applicable cost of living adjustments (COLAs). For a worker with average earnings of $8,000 per month, the benefit starting at FRA could be $2,798 (approximately 35 percent) plus COLAs. However, if either of these workers start benefits earlier than their FRA, we'll reduce their monthly benefit.

Why we use a different formula

Before 1983, people whose primary job wasn't covered by Social Security had their Social Security benefits calculated as if they were long-term, low-wage workers. They had the advantage of receiving a Social Security benefit representing a higher percentage of their earnings, plus a pension from a job for which they didn't pay Social Security taxes. Congress passed the Windfall Elimination Provision to remove that advantage.

Under the provision, we reduce the 90 percent factor in our formula and phase it in for workers who reached age 62 or became disabled between 1986 and 1989. For people who reach 62 or became disabled in 1990 or later, we reduce the 90 percent factor to as little as 40 percent.

Some exceptions

The Windfall Elimination Provision doesn't apply if:

- You're a federal worker first hired after December 31, 1983.
- You're an employee of a non-profit organization who was exempt from Social Security coverage on December 31,1983, unless the non-profit organization waived exemption and did pay Social Security taxes, but then the waiver was terminated prior to December 31, 1983.
- Your only pension is for railroad employment.
- The only work you performed for which you didn't pay Social Security taxes was before 1957.
- You have 30 or more years of substantial earnings under Social Security.

The Windfall Elimination Provision doesn't apply to survivors benefits. We may reduce spouses, widows, or widowers benefits because of another law. For more information, read *Government Pension Offset* (Publication No. 05-10007).

Social Security years of substantial earnings

If you have 30 or more years of substantial earnings, we don't reduce the standard 90 percent factor in our formula. See the first table that lists substantial earnings for each year.

The second table shows the percentage used to reduce the 90 percent factor depending on the number of years of substantial earnings. If you have 21 to 29 years of substantial earnings, we reduce the 90 percent factor to between 45 and 85 percent. To see the maximum amount we could reduce your benefit, visit ***www.ssa.gov/benefits/retirement/planner/wep.html***.

A guarantee

The law protects you if you get a low pension. We won't reduce your Social Security benefit by more than half of your pension for earnings after 1956 on which you didn't pay Social Security taxes.

Contacting Social Security

The most convenient way to do business with us from anywhere, on any device, is to visit ***www.ssa.gov***. There are several things you can do online: apply for benefits; get useful information; find publications; and get answers to frequently asked questions.

When you open a personal *my* Social Security account, you have more capabilities. You can review your *Social Security Statement*, verify your earnings, and get estimates of future benefits. You can also print a benefit verification letter, change your direct deposit information, request a replacement Medicare card, get a replacement SSA-1099/1042S, and request a replacement Social Security card (if you have no changes and your state participates).

If you don't have access to the internet, we offer many automated services by telephone, 24 hours a day, 7 days a week. Call us toll-free at **1-800-772-1213** or at our TTY number, **1-800-325-0778**, if you're deaf or hard of hearing.

A member of our staff can answer your call from 7 a.m. to 7 p.m., Monday through Friday. We ask for your patience during busy periods since you may experience a high rate of busy signals and longer hold times to speak to us. We look forward to serving you.

Year	Substantial earnings
1937–1954	$900
1955–1958	$1,050
1959–1965	$1,200
1966–1967	$1,650
1968–1971	$1,950
1972	$2,250
1973	$2,700
1974	$3,300
1975	$3,525
1976	$3,825
1977	$4,125
1978	$4,425
1979	$4,725
1980	$5,100
1981	$5,550
1982	$6,075
1983	$6,675
1984	$7,050
1985	$7,425
1986	$7,875
1987	$8,175
1988	$8,400

Year	Substantial earnings
1989	$8,925
1990	$9,525
1991	$9,900
1992	$10,350
1993	$10,725
1994	$11,250
1995	$11,325
1996	$11,625
1997	$12,150
1998	$12,675
1999	$13,425
2000	$14,175
2001	$14,925
2002	$15,750
2003	$16,125
2004	$16,275
2005	$16,725
2006	$17,475
2007	$18,150
2008	$18,975
2009–2011	$19,800
2012	$20,475

Year	Substantial earnings
2013	$21,075
2014	$21,750
2015-2016	$22,050
2017	$23,625
2018	$23,850
2019	$24,675
2020	$25,575
2021	$26,550

Years of substantial earnings	Percentage
30 or more	90 percent
29	85 percent
28	80 percent
27	75 percent
26	70 percent
25	65 percent
24	60 percent
23	55 percent
22	50 percent
21	45 percent
20 or less	40 percent

Securing today
and tomorrow

Social Security Administration
Publication No. 05-10045
January 2021 (Recycle prior editions)
Windfall Elimination Provision
Produced and published at U.S. taxpayer expense

Government Pension Offset

A law that affects spouses and widows or widowers

If you receive a retirement or disability pension from a federal, state, or local government based on your own work for which you didn't pay Social Security taxes, we may reduce your Social Security spouses or widows or widowers benefits. This fact sheet provides answers to questions you may have about the reduction.

How much will my Social Security benefits be reduced?

We'll reduce your Social Security benefits by two-thirds of your government pension. In other words, if you get a monthly civil service pension of $600, two-thirds of that, or $400, must be deducted from your Social Security benefits. For example, if you're eligible for a $500 spouses, widows, or widowers benefit from Social Security, you'll get $100 a month from Social Security ($500 – $400 = $100). If two-thirds of your government pension is more than your Social Security benefit, your benefit could be reduced to zero.

If you take your government pension annuity in a lump sum, Social Security will calculate the reduction as if you chose to get monthly benefit payments from your government work.

Why will my Social Security benefits be reduced?

Benefits we pay to spouses, widows, and widowers are "dependent" benefits. Set up in the 1930s, these benefits were to compensate spouses who stayed home to raise a family and were financially dependent on the working spouse. It's now common for both spouses to work, each earning their own Social Security retirement benefit. The law requires a person's spouse, widow, or widower benefit to be offset by the dollar amount of their own retirement benefit.

For example, if a woman worked and earned her own $800 monthly Social Security benefit, but was also due a $500 spouse's benefit on her husband's record, we couldn't pay that spouse's benefit because her own benefit offsets it. Before enactment of the Government Pension Offset law, if that same woman was a government employee who didn't pay into Social Security and earned an $800 government pension, there was no offset. We had to pay her a full spouse's benefit and her full government pension.

If this person's government work had been subject to Social Security taxes, we would reduce any spouse, widow, or widower benefit because of their own Social Security retirement benefit. The Government Pension Offset ensures that we calculate the benefits of government employees who don't pay Social Security taxes the same as workers in the private sector who pay Social Security taxes.

When won't my Social Security benefits be reduced?

Generally, we won't reduce your Social Security benefits as a spouse, widow, or widower if you:

- Receive a government pension that's not based on your earnings; or
- Are a federal (including Civil Service Offset), state, or local government employee and your government pension is from a job for which you paid Social Security taxes; and:
  - —Your last day of employment (that your pension is based on) is before July 1, 2004; or
  - —You filed for and were entitled to spouses, widows, or widowers benefits before April 1, 2004 (you may work your last day in Social Security covered employment at any time); or
  - —You paid Social Security taxes on your earnings during the last 60 months of government service. (Under certain

conditions, we require fewer than 60 months for people whose last day of employment falls after June 30, 2004, and before March 2, 2009.)

There are other situations for which we won't reduce your Social Security benefits as a spouse, widow, or widower; for example, if you:

- Are a federal employee who switched from the Civil Service Retirement System (CSRS) to the Federal Employees' Retirement System (FERS) after December 31, 1987; and:
  - —Your last day of service (that your pension is based on) is before July 1, 2004;
  - —You paid Social Security taxes on your earnings for 60 months or more during the period beginning January 1988 and ending with the first month of entitlement to benefits; or
  - —You filed for and were entitled to spouses, widows, or widowers benefits before April 1, 2004 (you may work your last day in Social Security covered employment at any time).
- Received, or were eligible to receive, a government pension before December 1982 and meet all the requirements for Social Security spouse's benefits in effect in January 1977; or
- Received, or were eligible to receive, a federal, state, or local government pension before July 1, 1983, and were receiving one-half support from your spouse.

Note: *A Civil Service Offset employee is a federal employee, rehired after December 31, 1983, following a break in service of more than 365 days, with five years of prior CSRS coverage.*

What about Medicare?

Even if you don't get benefit payments from your spouse's work, you can still get Medicare at age 65 on your spouse's record if you aren't eligible for it on your own record.

Can I still get Social Security benefits from my own work?

The offset applies only to Social Security benefits as a spouse, or widow, or widower. However, we may reduce your own benefits because of another provision. For more information, go online to read *Windfall Elimination Provision* (Publication No. 05-10045).

Contacting Social Security

The most convenient way to contact us anytime, anywhere is to visit ***www.socialsecurity.gov***. There, you can: apply for benefits; open a *my* Social Security account, which you can use to review your *Social Security Statement*, verify your earnings, print a benefit verification letter, change your direct deposit information, request a replacement Medicare card, and get a replacement SSA-1099/1042S; obtain valuable information; find publications; get answers to frequently asked questions; and much more.

If you don't have access to the internet, we offer many automated services by telephone, 24 hours a day, 7 days a week. Call us toll-free at **1-800-772-1213** or at our TTY number, **1-800-325-0778**, if you're deaf or hard of hearing.

If you need to speak to a person, we can answer your calls from 7 a.m. to 7 p.m., Monday through Friday. We ask for your patience during busy periods since you may experience higher than usual rate of busy signals and longer hold times to speak to us. We look forward to serving you.

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HOUSE COMMITTEE ON WAYS & MEANS
CHAIRMAN RICHARD E. NEAL

Public Servants Protection and Fairness Act of 2021

The Public Servants Protection and Fairness Act of 2021 fixes the Windfall Elimination Provision (WEP) by introducing a new proportional formula, provides meaningful WEP relief to current retirees, includes a benefit guarantee so that no current or future retirees can be worse off as a result of the bill, and ensures that public servants across the nation can retire with the security and dignity they deserve.

Originally, the WEP was intended to equalize the Social Security benefit formula for workers with similar earnings histories, both inside and outside of the Social Security system. However, in practice, it has unfairly penalized many public employees. Currently, 1.9 million Social Security beneficiaries are affected by the WEP. The much-needed reform in this bill provides meaningful WEP relief to current retirees and public employees while treating all workers fairly.

Current Retirees: Immediate Relief Payments

The bill provides immediate relief to current Social Security beneficiaries affected by the WEP. Current beneficiaries (and those turning 62 before 2023) who are affected by the WEP due to their own public service work will receive an extra $150 a month, starting nine months after enactment and continuing for as long as the eligible individuals are receiving Social Security benefits. The relief amount cannot exceed the size of each person's current WEP reduction.

Future Retirees: New Formula and Benefit Guarantee

Future retirees (those turning 62 in 2023 and later) will be eligible for a new, fairer benefit formula, called the Public Servant Protection (PSP) formula. The PSP formula calculates benefit amounts based on the proportion of lifetime earnings covered by Social Security.

The Public Servants Protection and Fairness Act of 2021 includes critical protections to ensure that no one receives a lower benefit a result of this legislation. First, it *maintains the current WEP exemptions* (i.e., for individuals not receiving a pension, and for those with 30 years of coverage) and extends them to the PSP as well. That is, people are exempt from both the PSP and the WEP if they have 30 or more years of coverage or if they do not receive any pension based on their state or local employment.

In addition, the bill provides *a benefit guarantee* for all future retirees: if someone's PSP benefit is not as high as their WEP benefit, they will automatically receive the higher benefit. This guarantee is permanent, applying to all future retirees.

About seven in 10 future retirees affected by the WEP will receive a higher benefit under the new PSP formula, with the increase averaging about $75 a month. The remaining three in 10 are protected by the benefit guarantee and will see no change in benefits because they already receive higher benefits under the WEP than they would under the proportional formula due to their specific earnings patterns. They will get to keep that higher amount. Finally, the bill shields millions of other public servants from being newly subjected to the WEP or PSP.

Additional Provisions

The bill also improves the *Social Security Statement* for affected workers, so that future benefit amounts will not be a surprise. Finally, it protects the Social Security trust funds with general revenue transfers to cover these costs, so as not to penalize other workers' retirement security even as we correct the urgent problems with the WEP.

MAINEPERS

BOARD OF TRUSTEES MEMORANDUM

TO: BOARD MEMBERS

FROM: KATHY MORIN, MANAGER, ACTUARIAL AND LEGISLATIVE AFFAIRS

SUBJECT: **ACTUARIAL CONSULTANT RECOMMENDATION**

DATE: JANUARY 5, 2022

Board Policy 2.2 requires that the Board and staff conduct a review of the retained actuarial consultant at least every five years in conjunction with the completion of the actuarial audit. An actuarial audit was completed in August 2021. The policy requires the Board to determine whether to engage in a new competitive process to retain an actuarial consultant or to continue to retain the existing consultant without a new competitive process.

POLICY REFERENCE

Board Policy 2.2 – Actuarial Soundness and Funding

ACTUARIAL CONSULTANT CONTRACT REVIEW

Cheiron has served as MainePERS' actuary for almost 17 years, and we have been working with Gene Kalwarski for more than three decades. Their deep knowledge of the plans that we administer has played a crucial role in achieving the Board's goals. Cheiron has been a solid partner in important work such as the creation of a new funding model for the PLD Consolidated Plan that has received recognition from actuarial organizations and the work on the design of new pension plan options for teachers and State employees. Cheiron's continued involvement in developing a strategy for addressing the upcoming exhaustion of the unfunded liability is invaluable to our efforts to partner with the legislature and administration.

We have reviewed the findings of the recent actuarial audit, which concluded that the work completed by Cheiron meets actuarial standards. The auditing actuary concluded that the methods and assumptions used are reasonable and that the actuarial liabilities and normal cost represent a correct application of those methods and assumptions. They also concluded that the actuarial valuation reports meet the actuarial standards and are suitable for the purposes defined. The auditing actuary made several recommendations, and Cheiron satisfactorily responded to each recommendation, including implementing several changes for the most recent plan valuations.

Staff are satisfied overall with the quality of the work, the communications with the actuarial consultant, and the fees charged for the work. Based on the above, we recommend that Cheiron continue to be retained as the actuarial consultant without a new competitive process.

As always, we will review Cheiron's performance throughout the year and alert the Board should anything of concern develop. The current fee arrangement runs through 2022, and we will bring the recommended fee structure for future years to the Board for consideration.

RECOMMENDATION

That MainePERS continue to retain Cheiron as actuarial consultant.