



MainePERS

PUBLIC EMPLOYEES RETIREMENT SYSTEM

Board of Trustees

Public Meeting Packet

May 11, 2023

**MainePERS Board of Trustees
May 11, 2023
Augusta – Fort Point**

AGENDA

9:00 a.m.		CALL TO ORDER		Brian Noyes
9:00 – 9:05 a.m.	1.	<u>CONSIDERATION OF CONSENT CALENDAR</u> <ul style="list-style-type: none">• Minutes of April 13, 2023• Decision, R.R. Appeal• Consideration of Items Removed	ACTION	Brian Noyes
9:05 – 9:15 a.m.	2.	<u>CEO REPORT</u>		Dr. Rebecca M. Wyke
9:15 – 9:35 a.m.	3.	<u>PRIVATE MARKETS ACTION</u> <ul style="list-style-type: none">• Executive Session pursuant to 1 M.R.S. §405(6)(F); 5 M.R.S. §17057(4) <p><i>Board moves out of executive session.</i></p> <ul style="list-style-type: none">• Ares Senior Direct Lending Fund III• Redwood Master Fund• Sprott Private Resource Streaming and Royalty Annex• Alternative Credit Rebalancing	ACTION	Brian Noyes
			ACTION	James Bennett
			ACTION	Zackery McGuire
			ACTION	
			ACTION	
9:35 – 10:05 a.m.	4.	<u>INVESTMENT REVIEW</u> <ul style="list-style-type: none">• Investment Monthly Review• Investment Quarterly Review• Risk Diversifiers Quarterly Review		James Bennett, Zackery McGuire Brian McDonnell, Stuart Cameron, Cambridge Assocs.
10:05 – 10:45 a.m.	5.	<u>PRIVATE MARKETS REVIEW</u> <ul style="list-style-type: none">• Private Markets Activity• Cliffwater Quarterly Review• Albourne Quarterly Review		James Bennett, Zackery McGuire Tom Lynch, George Bumeder, Cliffwater; William Greenwood, Jennifer Yeung, Albourne
10:45 – 11:00 a.m.		<u>BREAK</u>		

11:00 – 11:20 a.m.	6.	<u>FINANCE AND AUDIT COMMITTEE</u>		
		<ul style="list-style-type: none"> • Report from the Committee • FY24 Administrative & Investment Operations Budgets 	ACTION	Shirrin Blaisdell Sherry Vandrell
11:20 – 11:30 a.m.	7.	<u>MEMBER SERVICES, FINANCE, AND OPERATIONS REPORT</u>		Chip Gavin Sherry Vandrell Michael Colleran
11:30 – 11:40 a.m.	8.	<u>LEGISLATIVE UPDATE</u>		Kathy Morin
11:40 – 11:45 a.m.	9.	<u>LITIGATION SUMMARY</u>		Betsy Stivers
11:45 – 12:00 p.m.	10.	<u>PERSONNEL DISCUSSION</u>	ACTION	Brian Noyes
		<ul style="list-style-type: none"> • Executive Session pursuant to 1 M.R.S. §405(6)(A) 		
		<i>Board moves out of executive session.</i>		
12:00 p.m.		<u>ADJOURNMENT</u>	ACTION	Brian Noyes

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

Minutes

Board of Trustees
Board Meeting
April 13, 2023

MainePERS
Augusta
9:00 a.m.

The Board of Trustees met at MainePERS, 139 Capitol Street, Augusta, ME 04332 at 9:00 a.m. on April 13, 2023. Brian Noyes, Chair, presided. Other Trustees participating were: Dick Metivier, Vice Chair; Henry Beck, State Treasurer; John Beliveau; Shirrin Blaisdell; Mark Brunton; John Kimball; and Ken Williams. Joining the Trustees were Dr. Rebecca Wyke, Chief Executive Officer; Michael Colleran, Chief Operating Officer and General Counsel; Sherry Vandrell, Chief Financial Officer; Monica Gorman, Secretary to the Board of Trustees; and Betsy Stivers, Assistant Attorney General and Board Counsel. The Board also was joined for select portions of the meeting by James Bennett, Chief Investment Officer; Zackery McGuire, Deputy Chief Investment Officer; Kathy Morin, Director of Actuarial and Legislative Affairs; Shelley O'Brian, Assistant Director of Member Services for Retirement Services; Brian McDonnell, Cambridge Associates; Tom Lynch and George Bumeder, Cliffwater; William Greenwood, Mark White, and Jennifer Yeung, Albourne; and Amy McDuffee, Mosaic Governance Advisors.

Brian Noyes called the meeting to order at 9:00 a.m. John Beliveau and Mark Brunton participated through video remote access pursuant to 1 M.R.S. § 403-B, having been excused from in-person attendance by the Board Chair. All other Trustees were physically present.

CONSIDERATION OF THE CONSENT CALENDAR

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

- Minutes of February 9, 2023, and
- Decision, T.E. Appeal

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

CEO REPORT

Congratulations

Dr. Rebecca Wyke congratulated Sherry Vandrell on her promotion to Chief Financial Officer.

FY24 Budget

Dr. Rebecca Wyke provided an overview of the draft FY24 budget, which was developed to address the priorities reflected in the goals of the strategic plan.

Succession Planning

Michael Colleran shared a presentation on the System's succession planning efforts, which is an objective in the strategic plan. Michael answered questions from the Trustees.

PRIVATE MARKET UPDATE

- **Action.** John Kimball made the motion, seconded by Ken Williams, to enter into executive session pursuant to 1 M.R.S. §405(6)(F); 5 M.R.S. §17057(4) to discuss private market investment information contained in non-public documents. Voted unanimously by eight Trustees (Beck, Beliveau, Blaisdell, Brunton, Kimball, Metivier, Noyes, and Williams).

The Board moved out of executive session.

PRIVATE MARKETS REVIEW

Private Markets Activity

Zack McGuire reviewed the table of private market funds and co-investments that had closed during the past 12 months. Zack shared the next manager meeting is scheduled for Tuesday, April 25, 2023, in Portland, with presentations by Sprott Private Resource Streaming and Royalty Annex at 9:00 a.m.; Ares Senior Direct Lending Fund III at 10:00 a.m.; and, Redwood Master Fund at 11:15 a.m.

Co-Investment Additional Reporting

Zack McGuire provided the Trustees with an update on the co-investment program and additional reporting for the period ending December 31, 2022. Zack answered questions from the Trustees.

Private Markets Leverage Environment

Jim Bennett, Brian McDonnell, Tom Lynch, George Bumedder, and Will Greenwood discussed the recent events in the banking industry with the Trustees. They answered questions from the Trustees.

INVESTMENT EDUCATION

Mark White, Albourne, led a presentation with the Trustees that provided an in-depth review of the Infrastructure asset class. Mark answered questions from the Trustees.

INVESTMENT REVIEW

Investment Monthly Review

Jim Bennett reported that as of March 31st, the MainePERS fund had a preliminary market value of \$18.4 billion, the preliminary return for the month was 0.9%, and the preliminary calendar year-to-date return was 2.2%.

Liquidity Portfolio Review

Jim Bennett provided a review of the liquidity portfolio. Jim reviewed the portfolio and discussed the program's rationale, guidelines, implementation, monitoring, and outcomes. Jim answered questions from the Trustees and noted that additional details concerning program implementation would be provided at a subsequent meeting.

FIDUCIARY DUTY EDUCATION

Amy McDuffee, Mosaic Governance Advisors, facilitated the Trustees' annual fiduciary duty education.

MEMBER SERVICES, FINANCE, AND OPERATIONS REPORT

Michael Colleran reported that all required minimum distributions were processed by the April 1st deadline. He thanked all those involved in making this process go smoothly.

Sherry Vandrell shared the Employer Reporting Unit continues to work with employers in submitting the defined benefit payrolls on time. She stated five audits were opened and three were completed for the month of March.

Shelley O'Brien shared Focus Fridays began on April 7th in an effort to speed processing of member service requests. Shelley stated communication regarding this temporary change in public business hours occurred throughout the month of March. She shared that metrics tracking will be added to the Operations Report starting in May.

Shelley stated the one-time 1% State and Teacher COLA will be included in the April 2023 payroll. She shared RFP's and RFI's have been issued to begin the upgrade to the current line of business software. Shelley shared the online benefit estimator continues to receive a number of views per week. She also stated member education sessions are being scheduled for new and mid-career members. Shelley shared an RFP has been done to solicit proposals for a third party administrator for the group life insurance program.

LEGISLATIVE UPDATE

Kathy Morin provided an update on the status of legislative bills. Kathy shared a number of public hearings have been scheduled as well as confirmation hearings for two of the Trustees. She reported that work continues on a number of special plan bills.

LITIGATION UPDATE

- **Action.** Dick Metivier made the motion, seconded by Henry Beck, to enter into executive session pursuant to 1 M.R.S. §405(6)(E) to consult with counsel regarding legal rights and duties. Voted unanimously by eight Trustees (Beck, Beliveau, Blaisdell, Brunton, Kimball, Metivier, Noyes, and Williams).

Henry Beck left the meeting at 12:20 p.m.

The Board moved out of executive session.

ADJOURNMENT

- Action. Shirrin Blaisdell made a motion, seconded by John Kimball, to adjourn the April Board of Trustees meeting. Voted unanimously by seven Trustees (Beliveau, Blaisdell, Brunton, Kimball, Metivier, Noyes, and Williams).

The meeting adjourned at approximately 12:30 p.m.

5/11/23

Date Approved by the Board

Dr. Rebecca M. Wyke, Chief Executive Officer

Date Signed

Date: May 3, 2023
To: Board of Trustees
From: Dr. Rebecca M. Wyke, CEO
Re: CEO Report

Fiscal Year 2024 Budget

We will present the proposed FY2024 Administration and Investment Operations Budgets to the Finance and Audit Committee at their meeting on May 11th for their review and action. The proposed budget will also be presented to the full Board of Trustees for your review and action at the May 11th meeting.

The proposed FY2024 consolidated budget for Administration and Investments is \$25.8 million, an increase of \$1.7 million over FY2023, a difference of 7.09%.

The proposed FY2024 Administration Operations Budget is \$19.2 million, an increase of \$1.4 million over FY2023, a difference of 8%. The proposed FY2024 Investment Operations Budget is \$6.7 million, an increase of \$297,053 over FY2023, or a difference of 4.7%.

In addition to addressing the ongoing operational needs of MainePERS, the draft consolidated budget was developed to address the priorities reflected in the goals of the 5-Year Strategic Plan.

- I. Preservation of the Trust fund
- II. Stability of the Contribution Rates
- III. Security and Integrity of our Information Systems
- IV. Cultivation of a Member-centric Organization
- V. Development of Stakeholder Relations
- VI. Foster an Engaged Workforce that Advances the Organization's Mission

In particular, the draft budget supports *Goal I* through increased funding for audit, legal, investment and custodial services to ensure the integrity of the Trust Fund. *Goal II* is supported by increased actuarial services to inform a group life insurance premium study. *Goals III, IV, and V* are supported through new spending to initiate the line-of-business software replacement project. *Goal IV* is also supported through new spending to roll out and support the member portal. *Goal IV* and *Goal V* are further supported through a net increase of 8 new positions to improve work processing time and respond to member and employer needs. *Goal VI* is supported through funding to continue confidential staff performance/market adjustments and bargaining unit staff position reclassifications that occurred in FY2023, and performance and step increases in FY2024. *Goal VI* is also supported through funding to implement the bargaining unit staff compensation study and third year wage reopener in the current bargaining contract. Additionally, *Goal VI* is supported by funding for employee recognition and staff development, as well as to support the cultural transformation to align with the organizational values.

Member Portal Update

MainePERS is planning to launch a secure online Member Portal as soon as fall 2023 for active and retired members and beneficiaries that will offer convenient access to their MainePERS account information. The Member Portal is a key strategic objective under the Strategic Plan *Goal IV: Cultivation of a Member-centric Organization*. In the survey of our members conducted last August, 73.73% of active members and 67.47% of retired members indicated they would use a secure online member portal to access account information.

This online portal will be rolled out in phases over a period of months. Additional details, including how to login, will be provided as each phased grouping is invited to participate.

Providing members with secure access to their information is important to MainePERS, and multi-layered security features will safeguard the online portal and member data. This includes portal infrastructure security and cybersecurity monitoring, as well multi-factor authentication for user access. Additionally, certain transactions will be limited or require further identification as a precaution.

Participating in the Member Portal is optional. Those who choose to create a user account will have access to the following:

The ability to see:

- For active members, the most recent and all available member account statements
- For retired members and beneficiaries, recent and all available disbursements
- Current beneficiary elections for all applicable benefits (pension, Group Life Insurance)

The ability to access, download, and print certain documents which MainePERS has received from the member, has sent to the member, or otherwise has on-file in the member's account, such as:

- Advice of Deposit detail (Electronic Fund Transfer disbursement details)
- Refund Application
- Retirement Application
- W-4P/W-4R
- Member Statements
- 1099 Tax Forms
- Group Life Insurance application
- Preliminary Benefit Letter
- Benefit Estimates
- Notice of Retirement
- Final Benefit Letter
- Service Credit Purchase - Cost Statements
- Service Credit Purchase informational letters
- Refund Statements
- Benefit Verifications
- Beneficiary Updates
- Pre-retirement death benefits selection forms

The ability to update:

- Physical Address
- Email Address
- Phone Number
- Gender

The ability to access:

- Forms
- Handbooks
- The mainepers.org website and its services and additional information

Nearly every service that will be available through the Member Portal currently requires a phone call or an exchange of correspondence with MainePERS to receive information or complete a transaction. The online portal will provide 24/7 access to a member's own account information at an individual's convenience.

Focus Friday Progress to Date

Appended to this report are two charts showing the impact of the Focus Fridays in April. Two of the Fridays were focused on Service Retirement Estimates (SREs). In addition, we had one weather related closure that was used to focus on SREs. Outstanding SRE workflows at the close of March were 1011 and at the close of April were 551, a reduction of 45.5%.

Two of the Fridays were focused on Preliminary to Final Benefit Calculations (PB to Finals). Outstanding PB to Final workflows at the close of March were 1299 and at the close of April were 1437. While there is no reduction in the workflow count month over month, progress was made in this work. PB to Finals require a second staff member to verify each calculation and due to the timing of the month end this step was not completed before the report was due. We expect to see some improvement in this chart next month, but as noted on the chart this backlog will likely continue until more staff are trained to do this work.

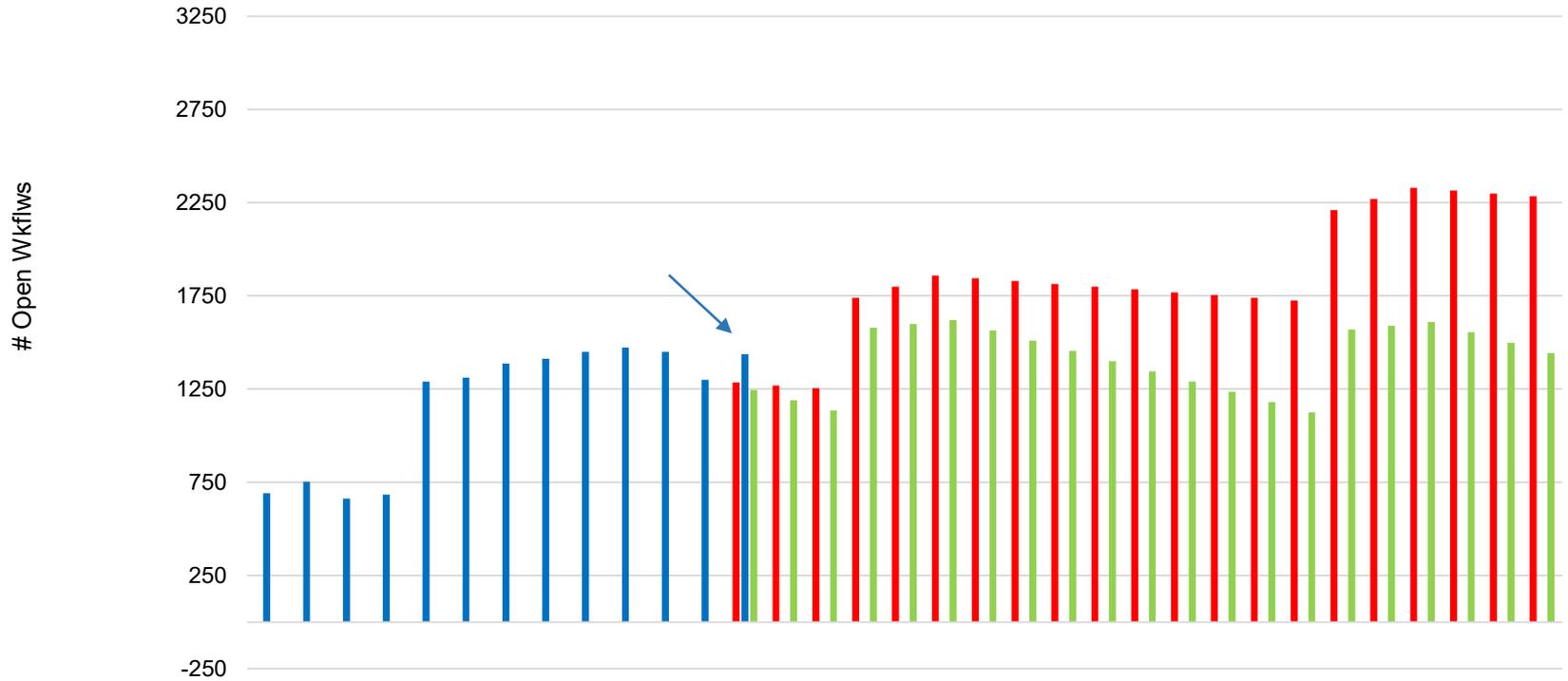
Member Services has made significant progress on some of the other backlogs, including the elimination of the Beneficiary Election backlog. There were 6,099 open workflows in August of last year, that number is now 25. The backlog in Benefit Verifications has been reduced by 83% since the high water mark last December. Additionally, last fall we shared with the Board plans to automate the Member Account Statements. This is now fully in place and the backlog has been eliminated. Member Account Statements are now mailed annually to each active member and interim requests are now batched for monthly processing.

Employer Reporting has also made progress reporting that 66% of employer accounts are now fully reconciled, up from a low of 21% a year ago. Additionally, new employer membership workflows are down from a high of 1,325 in February to 533.

Focus Friday Impact on Backlogs

- Preliminary to Final Benefit

Impact of Focus Friday's on Total # of Retirees on Preliminary Benefit: 05/01/2023

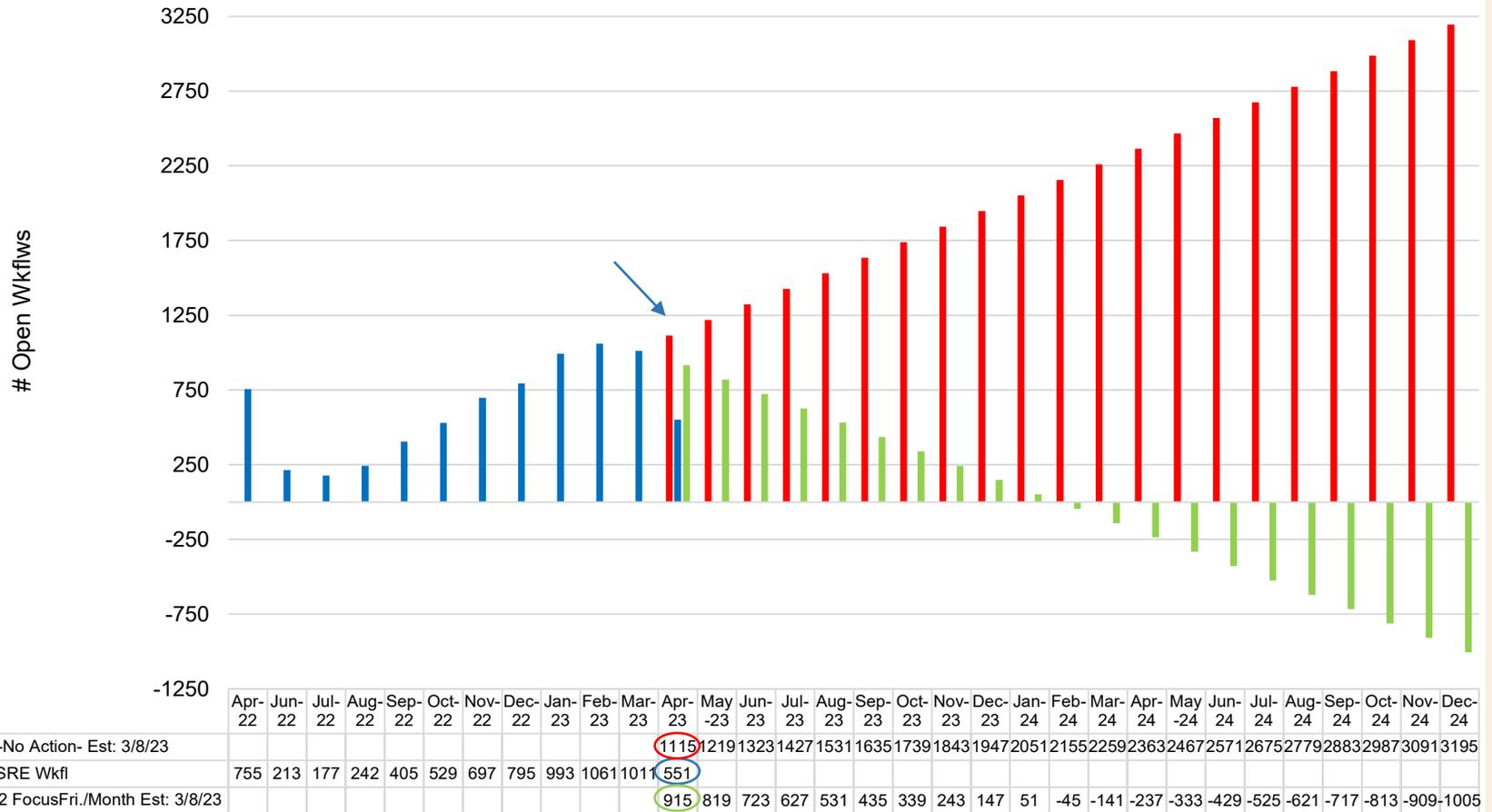


	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	
■ Proj. Ttl # on PB -No Action-Est: 3/8/23													1284	1269	1254	1739	1799	1859	1844	1829	1814	1799	1784	1769	1754	1739	1724	2209	2269	2329	2314	2299	2284	
■ Actual Month End Total # on PB	692	753	662	684	1289	1310	1387	1413	1449	1472	1450	1299	1437																					
■ Proj. Ttl # on PB - 2 FocusFri./Month Est: 3/8/23													1244	1189	1134	1579	1599	1619	1564	1509	1454	1399	1344	1289	1234	1179	1124	1569	1589	1609	1554	1499	1444	

Focus Friday Impact on Backlogs

- Service Retirement Estimates

Impact of Focus Friday's on Total # of Service Retirement Estimates: 05/01/2023



MAINEPERS

BOARD OF TRUSTEES INVESTMENTS MEMORANDUM

TO: BOARD MEMBERS
FROM: JAMES BENNETT, CHIEF INVESTMENT OFFICER
SUBJECT: INVESTMENT REVIEW
DATE: MAY 3, 2023

Following this memo is the Monthly Investment Review for April as well as Cambridge Associates' Quarterly Investment and Risk Diversifiers Reviews.

Please note on slide 9 of the monthly Investment Review that we are reporting a larger than usual increase in management fees for the month. I will discuss the reasons for this change during the May meeting.

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 \$18.4 billion.
- Monthly return of 0.5%.
- Calendar year-to-date return of 2.8%.
- Fiscal year-to-date return of 2.8%.



MainePERS

PUBLIC EMPLOYEES RETIREMENT SYSTEM

Investment Review

May 11, 2023

Investment Policy Objective

Investment Objective

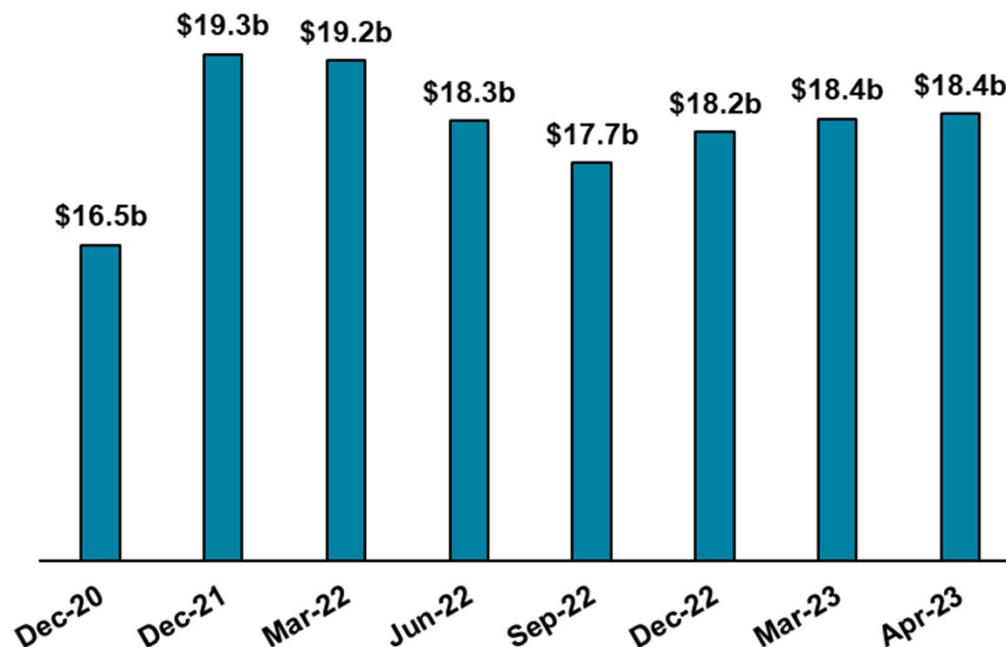
MainePERS' investment objectives balance the System's twin goals of generating investment returns (to ensure growth of the trust funds) and minimizing investment risks (loss of capital and cash flow shortfalls).

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.

April 2023 Performance (Preliminary)

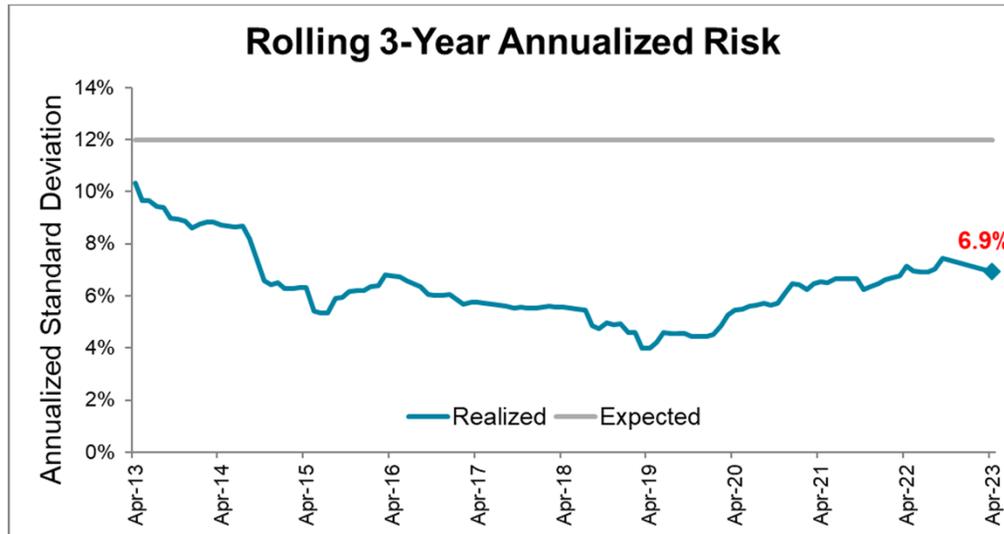
The **preliminary** fund value at the end of April is \$18.4 billion.



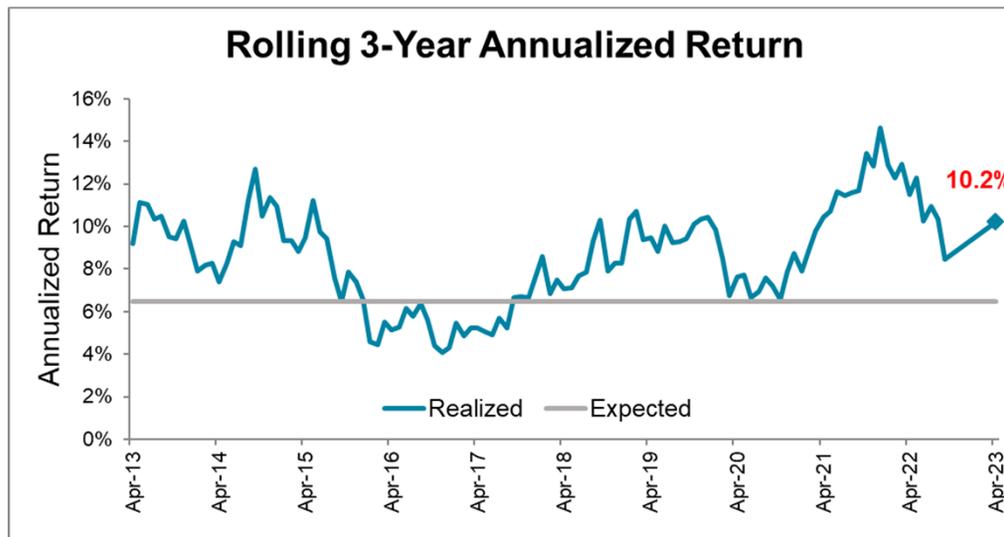
Fund and Benchmark Returns

	Apr-23	CYTD 2023	FYTD 2023
Total Fund	0.5%	2.8%	2.8%
Russell 3000	1.1%	8.3%	10.9%
MSCI ACWI ex-USA	1.7%	8.7%	11.9%
Bloomberg US Aggregate	0.6%	3.6%	0.5%

Investment Objective Measurement: Risk and Return



Despite heightened volatility in 2022, observed risk at the Fund level remains below targeted risk on a rolling 3-year annualized basis.



On a rolling 3-year annualized basis, investment returns have exceeded expected values and the System's discount rate.

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.

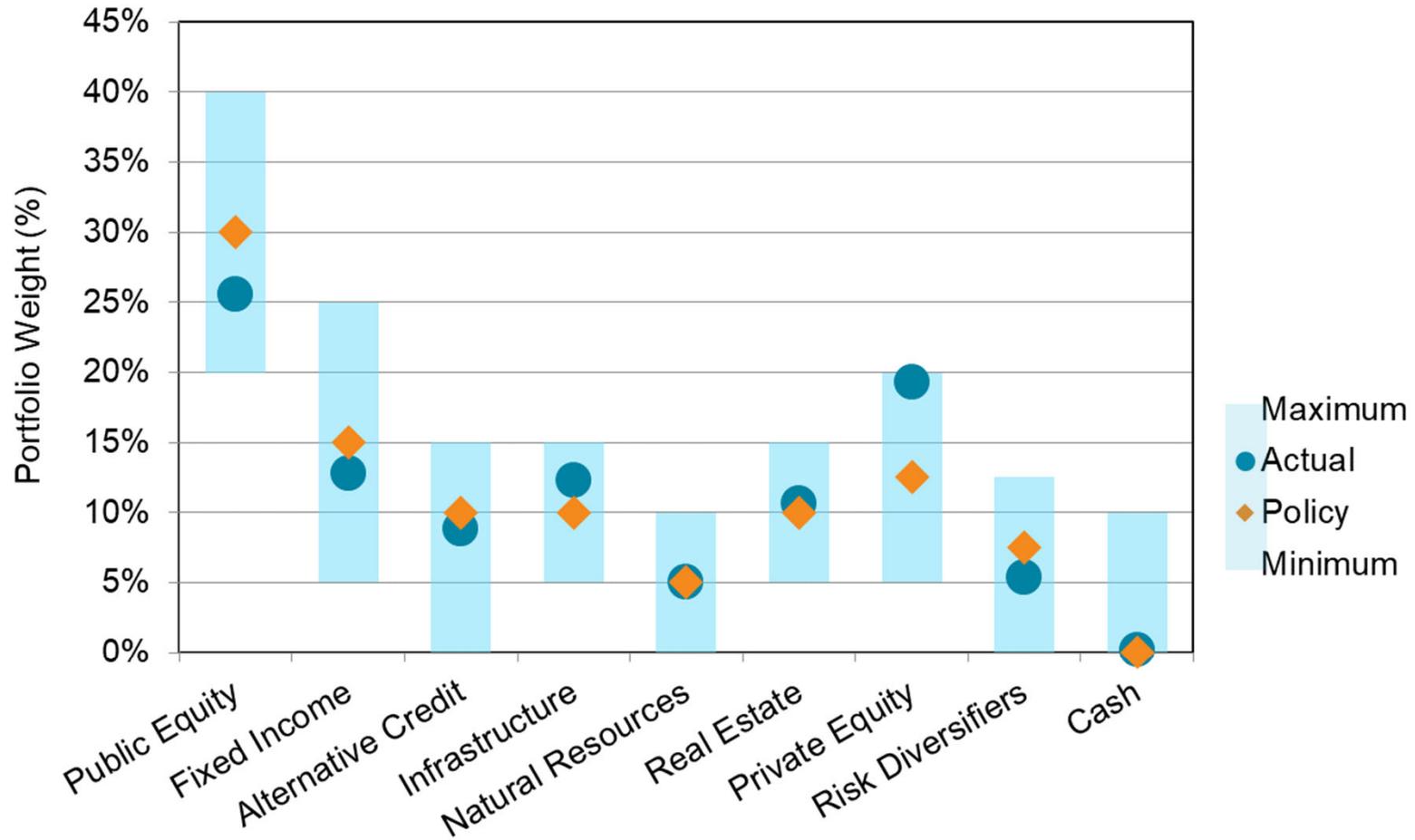
April 2023 Asset Allocation (Preliminary)

Assets (Millions)	Value	% of Fund	Policy %
MainePERS Portfolio	\$ 18,431	100.0%	100.0%
Domestic Equity	\$ 2,882	15.6%	18.2%
International Equity	\$ 1,837	10.0%	11.8%
Fixed Income	\$ 2,363	12.8%	15.0%
Alternative Credit	\$ 1,621	8.8%	10.0%
Infrastructure	\$ 2,261	12.3%	10.0%
Natural Resources	\$ 932	5.1%	5.0%
Private Equity	\$ 3,550	19.3%	12.5%
Real Estate	\$ 1,965	10.7%	10.0%
Risk Diversifiers	\$ 990	5.4%	7.5%
Cash	\$ 30	0.2%	0.0%

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

Private equity remains overweight at ~19% of Fund value, and private markets assets in aggregate comprise 56% of the overall portfolio, above the 47.5% policy weight.

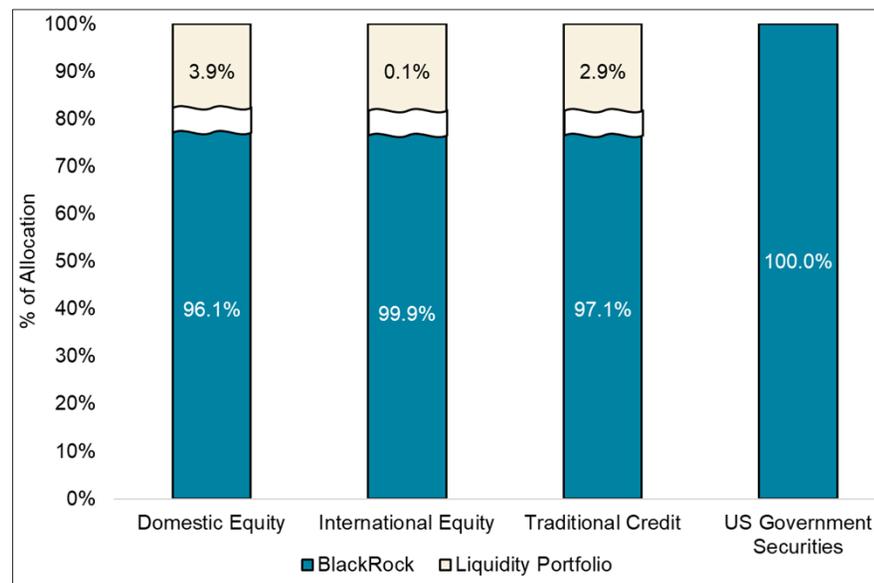
April 2023 Asset Allocation (Preliminary)



Public Securities: Liquidity Portfolio

At the end of March, 0.8% of Fund assets were invested via ETFs and futures contracts in an account managed by Parametric Associates.

The Liquidity Portfolio accounts for 2.0% of MainePERS' total exposure to public securities.



MainePERS Liquidity Portfolio	Market Value (Millions)	Exposure Type
Parametric Domestic Equity	\$112.8	Futures
Parametric International Equity	\$2.4	Futures
Parametric Traditional Credit	\$23.2	ETFs
Parametric US Government Securities	\$0.0	Futures
Total Liquidity Portfolio	\$138.3	

Derivatives and Leverage

MainePERS has **exposure 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: April 2023

Description	FYTD 23	FY 22	FY 21	FY 20	FY 19
Investment Mgmt. Fees	\$108,563,290	\$119,200,558	\$118,561,261	\$124,480,394	\$106,398,871
Securities Lending Fees ¹	887,539	1,744,317	1,653,172	2,239,396	2,226,826
Consulting Fees	986,772	1,120,000	1,120,000	1,120,000	1,120,000
Broker Commissions ²	112,125	77,558	52,364	37,461	28,970
Placement Agent Fees	0	0	0	0	0
Total	\$110,549,726	\$122,142,433	\$121,386,797	\$127,877,251	\$109,774,667
Percentage of Fund ³	0.72%	0.66%	0.67%	0.87%	0.74%

1. Securities Lending Fees are through 3/31/2023
2. Actual paid commissions reported by JP Morgan
3. Annualized estimated total fees divided by the current Fund value for FYTD 23. The prior years' calculations are actual fees divided by the June 30 market value of that year.

Securities Lending: March 2023

	Average Lendable Assets	Average Assets On Loan	Total Sec Lending Revenue	Revenue Split	MainePERS Net Income	MainePERS Net Income, FYTD
BlackRock						
Fixed Income	\$1,948,039,596	\$1,484,692,179	\$246,663	60%/40%	\$147,998	\$738,517
Total Equity	\$1,730,604,533	\$215,463,906	\$118,209	60%/40%	\$78,753	\$660,232
Total Blackrock	\$3,678,644,129	\$1,700,156,085	\$364,872		\$226,751	\$1,398,749
JP Morgan						
Domestic Equities	\$2,669,646,391	\$133,808,114	\$55,336	85%/15%	\$47,041	\$381,612
Total JP Morgan	\$2,669,646,391	\$133,808,114	\$55,336		\$47,041	\$381,612
Total	\$6,348,290,520	\$1,833,964,199	\$420,208		\$273,792	\$1,780,361
Total Annualized Securities Lending Income, FY 2023:				\$2,373,814 (0.01%, or 1.3 bps)		
Total Actual Securities Lending Income, FY 2022:				\$3,118,726 (0.02%, or 1.7 bps)		

Liquidity Schedule: April 2023

Term	Market Value	Percent of Portfolio
Liquid ¹	\$7,112m	38.6%
Semi-Liquid ²	\$2,329m	12.6%
Illiquid ³	\$8,990m	48.8%
Total	\$18,431m	100.0%

Sources and Uses of Liquidity		
	Last 12 Months Actual	Next 12 Months Projection
Private Markets Activity		
Capital Contributions	-\$1,558m	-\$810m
Distributions	\$1,110m	\$1,840m
Net Private Markets Activity	-\$448m	\$1,030m
Benefit Payments	-\$330m	-\$420m
Net Cash Flows	-\$778m	\$610m

¹Liquid assets includes public equities and public fixed income

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

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

MainePERS Alternative Investments Summary

<i>as of 04/30/2023</i>	# of Funds	# of GP Relationships
Alternative Credit	24	13
Infrastructure	34	11
Natural Resources	15	10
Private Equity	122	33
Real Estate	33	18
Risk Diversifiers	10	9
Total*	238	85

*GP Total may not add due to overlapping relationships

Currently, MainePERS is invested in 238 funds,
and has 85 distinct manager relationships.

MainePERS Alternative Investments Summary

<i>(in \$millions)</i> as of 04/30/2023	Current Market Value			Unfunded Commitment	
	Dollars	% of Fund	Policy %*	Dollars	% of Fund
Alternative Credit	\$ 1,621	8.8%	10.0%	\$ 671	3.6%
Infrastructure	\$ 2,261	12.3%	10.0%	\$ 545	3.0%
Natural Resources	\$ 932	5.1%	5.0%	\$ 191	1.0%
Private Equity	\$ 3,550	19.3%	12.5%	\$ 1,100	6.0%
Real Estate	\$ 1,965	10.7%	10.0%	\$ 587	3.2%
Risk Diversifiers	\$ 990	5.4%	7.5%	\$ 105	0.6%
Total Alternatives	\$ 11,319	61.4%	55.0%	\$ 3,199	17.4%

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

*Investment Policy weights approved by the Board of Trustees effective May 2022

Note: Market values shown above are preliminary estimates. Private market asset values are based on 12/31/2022 values, adjusted for subsequent cash flows.

<i>(in \$millions)</i> as of 04/30/2023	Private Market Commitments by Vintage Year				3-Year
	2020	2021	2022	2023	Average ¹
Alternative Credit	\$ 275	\$ 410	\$ 550	\$ 80	\$ 412
Infrastructure	\$ 235	\$ 180	\$ 200	\$ -	\$ 205
Natural Resources	\$ -	\$ -	\$ 30	\$ -	\$ 10
Private Equity	\$ 276	\$ 438	\$ 268	\$ 21	\$ 327
Real Estate	\$ 80	\$ 285	\$ 180	\$ 15	\$ 182
Total Commitments	\$ 866	\$ 1,313	\$ 1,228	\$ 116	\$ 1,136

¹13-Year Average: 2020-2022

MainePERS Private Market Investments Summary: 12/31/2022

Asset Class Summary	Commitment (A)	Amount Contributed (B)	Total Distributions (C)	Current Market Value (D)	Total Value (C+D)	Interim Net IRR
Alternative Credit	\$ 2,282,150	\$ 1,708,914	\$ 561,854	\$ 1,409,929	\$ 1,971,783	7.0%
Infrastructure	\$ 3,370,940	\$ 3,224,929	\$ 2,622,210	\$ 2,080,636	\$ 4,702,847	11.5%
Natural Resources	\$ 1,020,500	\$ 1,063,227	\$ 432,084	\$ 935,071	\$ 1,367,155	6.5%
Private Equity	\$ 4,850,539	\$ 4,598,254	\$ 3,857,054	\$ 3,564,975	\$ 7,422,029	16.3%
Real Estate	\$ 2,726,351	\$ 2,563,762	\$ 1,861,884	\$ 1,896,255	\$ 3,758,139	7.4%
Total	\$ 14,250,480	\$ 13,159,085	\$ 9,335,086	\$ 9,886,866	\$ 19,221,952	10.8%

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	\$ 243,700	34	\$ 238,095	\$ 69,619	\$ 193,734	\$ 263,353	8.4%
Infrastructure Co-Investments	\$ 208,089	10	\$ 204,686	\$ 198,475	\$ 163,653	\$ 362,128	14.6%
Natural Resources Co-Investments	\$ 32,500	2	\$ 31,155	\$ -	\$ 45,879	\$ 45,879	11.9%
Private Equity Co-Investments	\$ 368,598	31	\$ 363,174	\$ 309,427	\$ 252,179	\$ 561,606	14.2%
Real Estate Co-Investments	\$ 66,740	5	\$ 57,534	\$ 5,339	\$ 53,787	\$ 59,126	1.2%
Total	\$ 919,627	82	\$ 894,645	\$ 582,860	\$ 709,231	\$ 1,292,091	13.3%

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

MainePERS Private Market Investments Summary: 12/31/2022

Alternative Credit

Fund Name	Commitment (A)	Date of Commitment	Amount Contributed (B)	Total Distributions (C)	Current Market Value (D)	Total Value (C+D)	Interim Net IRR
Angelo Gordon Direct Lending Fund II	\$ 25,000	3/31/2020	\$ 23,749	\$ 20,369	\$ 12,212	\$ 32,580	19.3%
Angelo Gordon Direct Lending Fund III	\$ 100,000	7/20/2018	\$ 101,379	\$ 65,092	\$ 71,123	\$ 136,215	10.9%
Participation Agreement #1	\$ 7,500	10/11/2019	\$ 7,470	\$ 1,705	\$ 7,287	\$ 8,992	8.3%
Participation Agreement #2	\$ 5,000	10/11/2019	\$ 4,994	\$ 5,422	\$ -	\$ 5,422	8.8%
Participation Agreement #3	\$ 5,000	10/11/2019	\$ 5,000	\$ 5,700	\$ -	\$ 5,700	7.3%
Participation Agreement #4	\$ 10,000	10/18/2019	\$ 9,915	\$ 1,773	\$ 9,604	\$ 11,377	7.8%
Participation Agreement #5	\$ 5,000	12/6/2019	\$ 5,000	\$ 1,956	\$ 4,199	\$ 6,155	8.5%
Participation Agreement #6	\$ 10,000	12/6/2019	\$ 9,991	\$ 1,663	\$ 9,776	\$ 11,440	8.4%
Participation Agreement #7	\$ 5,000	12/11/2019	\$ 5,000	\$ 1,439	\$ 4,662	\$ 6,100	7.6%
Participation Agreement #8	\$ 5,000	8/13/2020	\$ 4,914	\$ 997	\$ 4,826	\$ 5,822	8.0%
Participation Agreement #9	\$ 7,500	4/9/2021	\$ 7,425	\$ 1,012	\$ 7,319	\$ 8,331	NM
Participation Agreement #10	\$ 5,000	4/20/2021	\$ 5,007	\$ 885	\$ 4,563	\$ 5,448	NM
Participation Agreement #11	\$ 5,000	5/5/2021	\$ 5,000	\$ 721	\$ 4,780	\$ 5,501	NM
Angelo Gordon Direct Lending Fund IV	\$ 100,000	1/24/2020	\$ 85,000	\$ 8,452	\$ 93,841	\$ 102,293	12.4%
Participation Agreement #1	\$ 5,000	10/23/2020	\$ 4,913	\$ 1,192	\$ 4,388	\$ 5,579	6.9%
Participation Agreement #2	\$ 12,500	8/17/2021	\$ 12,295	\$ 1,099	\$ 12,280	\$ 13,379	NM
Participation Agreement #3	\$ 7,500	10/5/2021	\$ 7,500	\$ 7,913	\$ -	\$ 7,913	NM
Participation Agreement #4	\$ 5,000	12/21/2021	\$ 4,925	\$ 458	\$ 4,895	\$ 5,353	NM
Participation Agreement #5	\$ 5,000	12/21/2021	\$ 4,925	\$ 626	\$ 4,714	\$ 5,340	NM
Participation Agreement #6	\$ 5,000	1/12/2022	\$ 4,925	\$ 439	\$ 4,887	\$ 5,325	NM
Participation Agreement #7	\$ 7,500	1/12/2022	\$ 7,388	\$ 663	\$ 7,308	\$ 7,971	NM
Participation Agreement #8	\$ 12,500	6/16/2022	\$ 12,406	\$ 666	\$ 12,292	\$ 12,958	NM
Angelo Gordon Direct Lending Fund IV Annex	\$ 50,000	11/18/2021	\$ 47,500	\$ 1,210	\$ 49,325	\$ 50,535	NM
Angelo Gordon Direct Lending Fund V	\$ 125,000	8/3/2022	\$ 53,125	\$ -	\$ 55,690	\$ 55,690	NM
Participation Agreement #1	\$ 7,500	9/1/2022	\$ 7,388	\$ 242	\$ 7,350	\$ 7,592	NM
Participation Agreement #2	\$ 7,500	10/7/2022	\$ 7,388	\$ 199	\$ 7,408	\$ 7,607	NM
Participation Agreement #3	\$ 10,000	10/19/2022	\$ 9,850	\$ 216	\$ 9,801	\$ 10,018	NM
Participation Agreement #4	\$ 10,000	10/27/2022	\$ 9,800	\$ 201	\$ 9,751	\$ 9,951	NM
Ares Capital Europe IV	\$ 122,000	4/30/2018	\$ 96,890	\$ 21,899	\$ 86,921	\$ 108,819	4.1%
Ares Capital Europe V	\$ 122,000	9/4/2020	\$ 79,504	\$ 2,352	\$ 79,853	\$ 82,205	4.0%
Ares Senior Direct Lending Fund II	\$ 100,000	12/10/2021	\$ 35,888	\$ 2,448	\$ 36,037	\$ 38,485	NM
Audax Senior Debt (MP), LLC	\$ 100,000	6/30/2017	\$ 100,000	\$ 4,000	\$ 122,638	\$ 126,638	4.8%
Brookfield Infrastructure Debt Fund III	\$ 100,000	7/15/2022	\$ 15,191	\$ 176	\$ 15,052	\$ 15,228	NM
Comvest Credit Partners VI	\$ 125,000	5/20/2022	\$ 25,000	\$ -	\$ 25,195	\$ 25,195	NM

MainePERS Private Market Investments Summary: 12/31/2022

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
Deerpath Capital VI	\$ 75,000	9/30/2021	\$ 54,590	\$ 3,320	\$ 55,665	\$ 58,985	NM
Global Infrastructure Partners Spectrum	\$ 100,000	2/20/2019	\$ 70,554	\$ 25,896	\$ 49,325	\$ 75,221	7.0%
Mesa West Core Lending Fund	\$ 100,000	6/18/2013	\$ 122,816	\$ 57,259	\$ 120,470	\$ 177,729	6.2%
Owl Rock Capital Corporation	\$ 100,000	3/10/2017	\$ 100,000	\$ 27,644	\$ 88,951	\$ 116,595	3.8%
Participation Agreement #1	\$ 5,000	5/7/2018	\$ 4,851	\$ 5,499	\$ -	\$ 5,499	12.7%
Participation Agreement #2	\$ 6,185	7/31/2018	\$ 6,196	\$ 7,745	\$ -	\$ 7,745	9.9%
Participation Agreement #3	\$ 5,000	8/7/2018	\$ 4,938	\$ 5,634	\$ -	\$ 5,634	7.9%
Participation Agreement #4	\$ 5,000	8/20/2018	\$ 4,566	\$ 5,835	\$ -	\$ 5,835	8.1%
Participation Agreement #5	\$ 5,000	12/21/2018	\$ 4,826	\$ 1,592	\$ 4,488	\$ 6,080	7.0%
Participation Agreement #6	\$ 7,500	8/7/2020	\$ 8,905	\$ 3,055	\$ 7,335	\$ 10,390	8.9%
Participation Agreement #7	\$ 7,500	7/26/2021	\$ 6,562	\$ 840	\$ 6,534	\$ 7,374	NM
Participation Agreement #8	\$ 12,500	6/17/2022	\$ 11,650	\$ 802	\$ 11,306	\$ 12,108	NM
Participation Agreement #9	\$ 7,500	9/26/2022	\$ 7,388	\$ 218	\$ 7,481	\$ 7,699	NM
Owl Rock Capital Corporation III	\$ 100,000	6/19/2020	\$ 111,830	\$ 11,830	\$ 113,428	\$ 125,257	8.4%
Pathlight Capital Fund II	\$ 75,000	4/22/2021	\$ 104,525	\$ 46,545	\$ 64,650	\$ 111,195	NM
Participation Agreement #1	\$ 7,500	4/1/2022	\$ 7,368	\$ 824	\$ 7,059	\$ 7,883	NM
Participation Agreement #2	\$ 7,500	4/1/2022	\$ 7,429	\$ 391	\$ 7,441	\$ 7,831	NM
Pathlight Capital Fund III	\$ 75,000	6/24/2022	\$ 27,303	\$ 6,216	\$ 21,175	\$ 27,391	NM
Solar Capital Private Corporate Lending Fund	\$ 50,000	6/26/2019	\$ 37,663	\$ 5,718	\$ 39,642	\$ 45,360	13.8%
Solar Capital Debt Fund	\$ 50,000	6/26/2019	\$ 19,608	\$ 1,395	\$ 21,769	\$ 23,164	NM
SLR Private Corporate Lending Fund II	\$ 125,000	12/23/2022	\$ -	\$ -	\$ -	\$ -	NM
Silver Point Specialty Credit II	\$ 50,000	1/31/2020	\$ 57,821	\$ 23,902	\$ 39,364	\$ 63,266	9.0%
Tennenbaum Direct Lending VIII*	\$ 100,000	11/30/2017	\$ 100,883	\$ 78,609	\$ 45,674	\$ 124,284	6.3%

MainePERS Private Market Investments Summary: 12/31/2022

Infrastructure

Fund Name	Commitment		Amount	Total	Current	Total Value (C+D)	Interim Net IRR
	(A)	Date of Commitment	Contributed (B)	Distributions (C)	Market Value (D)		
Alinda Infrastructure Fund II	\$ 50,000	9/17/2009	\$ 68,297	\$ 74,099	\$ 101	\$ 74,200	1.8%
ArcLight Energy V	\$ 75,000	10/28/2011	\$ 76,031	\$ 103,624	\$ -	\$ 103,624	8.0%
Shore Co-Investment Holdings II	\$ 20,000	1/30/2014	\$ 17,709	\$ 19,737	\$ -	\$ 19,737	8.4%
ArcLight Energy VI	\$ 150,000	11/25/2014	\$ 159,687	\$ 110,673	\$ 84,246	\$ 194,919	5.0%
Great River Hydro Partners*	\$ 12,000	6/17/2017	\$ 10,718	\$ 8,639	\$ 34,972	\$ 43,611	41.3%
Brookfield Infrastructure Fund II	\$ 100,000	6/28/2013	\$ 116,441	\$ 101,576	\$ 90,230	\$ 191,806	9.8%
Brookfield Infrastructure Fund III	\$ 100,000	4/15/2016	\$ 98,174	\$ 52,139	\$ 92,942	\$ 145,081	11.9%
Co-Investment #1	\$ 20,000	3/31/2017	\$ 15,947	\$ 19,216	\$ 16,879	\$ 36,096	27.9%
Carlyle Global Infrastructure Opportunity Fund	\$ 100,000	5/1/2019	\$ 77,977	\$ 15,659	\$ 74,621	\$ 90,280	10.6%
Carlyle Infrastructure Partners	\$ 50,000	11/2/2007	\$ 57,366	\$ 64,289	\$ 376	\$ 64,665	2.5%
Carlyle Power Partners II	\$ 50,000	11/19/2015	\$ 62,167	\$ 31,374	\$ 56,731	\$ 88,105	11.1%
Cube Infrastructure	\$ 45,000	4/16/2010	\$ 60,063	\$ 96,665	\$ 422	\$ 97,087	8.0%
Cube Infrastructure II	\$ 90,000	9/11/2018	\$ 73,467	\$ 5,744	\$ 71,604	\$ 77,347	1.8%
Cube Infrastructure III	\$ 90,000	8/16/2021	\$ 40,821	\$ -	\$ 40,080	\$ 40,080	NM
EQT Infrastructure III	\$ 68,000	12/3/2016	\$ 95,217	\$ 129,377	\$ 37,785	\$ 167,162	20.7%
EQT Infrastructure IV	\$ 100,000	12/17/2018	\$ 91,579	\$ 17,113	\$ 97,696	\$ 114,809	10.9%
EQT Infrastructure V	\$ 75,000	12/8/2020	\$ 43,455	\$ 5,859	\$ 38,984	\$ 44,844	3.6%
First Reserve Energy Infrastructure Fund	\$ 50,000	6/30/2010	\$ 59,778	\$ 52,004	\$ 5,285	\$ 57,289	-1.2%
First Reserve Energy Infrastructure Fund II	\$ 100,000	10/21/2013	\$ 127,716	\$ 127,002	\$ 34,795	\$ 161,798	14.6%
Global Infrastructure Partners Sonic	\$ 30,000	7/31/2020	\$ 31,578	\$ -	\$ 19,956	\$ 19,956	-17.8%
Global Infrastructure Partners	\$ 75,000	3/31/2008	\$ 101,173	\$ 205,062	\$ 714	\$ 205,775	17.2%
Global Infrastructure Partners II	\$ 75,000	12/3/2011	\$ 104,944	\$ 143,984	\$ 38,315	\$ 182,298	16.1%
Global Infrastructure Partners III	\$ 150,000	4/15/2016	\$ 183,025	\$ 100,671	\$ 155,550	\$ 256,221	10.8%
Co-Investment #1	\$ 29,000	2/28/2017	\$ 27,420	\$ 15,870	\$ 30,212	\$ 46,082	12.5%
Co-Investment #2	\$ 25,000	8/16/2018	\$ 26,816	\$ 2,888	\$ 22,250	\$ 25,138	-1.6%
Global Infrastructure Partners IV	\$ 150,000	12/21/2018	\$ 125,478	\$ 9,030	\$ 121,148	\$ 130,178	4.2%
IFM Global Infrastructure (US), L.P.	\$ 100,000	12/20/2012	\$ 144,550	\$ 208,040	\$ -	\$ 208,040	9.8%
KKR Diversified Core Infrastructure Fund	\$ 100,000	4/29/2022	\$ -	\$ -	\$ -	\$ -	NM
KKR Global Infrastructure Investors	\$ 75,000	9/29/2010	\$ 87,917	\$ 154,328	\$ -	\$ 154,328	13.1%
KKR Global Infrastructure Investors II	\$ 150,000	10/24/2014	\$ 183,942	\$ 231,446	\$ 78,888	\$ 310,333	16.8%

(all dollar amounts in thousands)

MainePERS Private Market Investments Summary: 12/31/2022

Infrastructure

Fund Name	Commitment		Amount	Total	Current	Total Value (C+D)	Interim Net IRR
	(A)	Date of Commitment	Contributed (B)	Distributions (C)	Market Value (D)		
KKR Atlanta Co-Invest	\$ 24,000	9/26/2014	\$ 21,428	\$ 28,551	\$ -	\$ 28,551	5.7%
KKR Taurus Co-Invest II	\$ 25,000	8/15/2017	\$ 25,000	\$ 42,906	\$ 12,858	\$ 55,763	20.8%
KKR Byzantium Infrastructure Aggregator	\$ 15,000	10/17/2017	\$ 15,000	\$ 7,013	\$ 9,432	\$ 16,445	2.5%
KKR Global Infrastructure Investors III	\$ 100,000	3/29/2018	\$ 88,457	\$ 22,270	\$ 80,360	\$ 102,629	8.0%
Meridiam Infrastructure (SCA)	\$ 11,000	9/23/2015	\$ 21,938	\$ 10,065	\$ 25,054	\$ 35,119	8.0%
Meridiam Infrastructure Europe II (SCA)	\$ 22,500	9/23/2015	\$ 27,420	\$ 15,193	\$ 33,050	\$ 48,243	11.0%
Meridiam Infrastructure Europe III SLP	\$ 95,000	4/27/2016	\$ 69,465	\$ 16,804	\$ 53,418	\$ 70,222	0.4%
Meridiam Sustainable Infrastructure Europe IV	\$ 90,000	4/16/2021	\$ 12,422	\$ 4	\$ 9,609	\$ 9,612	NM
Meridiam Infrastructure N.A. II	\$ 75,000	9/28/2012	\$ 88,232	\$ 31,084	\$ 169,846	\$ 200,930	17.3%
MINA II CIP	\$ 175	6/30/2015	\$ 169	\$ 29	\$ 19,095	\$ 19,124	123.8%
Meridiam Infrastructure N.A. II	\$ 20,000	6/30/2015	\$ 18,870	\$ 4,342	\$ 43,516	\$ 47,858	24.1%
Meridiam Infrastructure N.A. III	\$ 50,000	7/12/2017	\$ 30,322	\$ 1	\$ 36,128	\$ 36,128	17.6%
Stonepeak Infrastructure Partners II	\$ 140,000	11/12/2015	\$ 188,950	\$ 230,100	\$ 42,041	\$ 272,141	13.6%
Stonepeak Claremont Co-Invest	\$ 25,000	5/30/2017	\$ 25,000	\$ 51,938	\$ 23	\$ 51,961	17.8%
Stonepeak Spear (Co-Invest) Holdings	\$ 25,000	1/8/2018	\$ 19,648	\$ 1,717	\$ 37,026	\$ 38,744	15.4%
Stonepeak Infrastructure Partners III	\$ 150,000	10/13/2017	\$ 148,192	\$ 44,406	\$ 184,183	\$ 228,589	18.2%
Stonepeak Infrastructure Partners IV	\$ 125,000	5/8/2020	\$ 54,479	\$ 9,568	\$ 48,641	\$ 58,209	NM

MainePERS Private Market Investments Summary: 12/31/2022

Natural Resources

Fund Name	Commitment (A)	Date of Commitment	Amount Contributed (B)	Total Distributions (C)	Current Market Value (D)	Total Value (C+D)	Interim Net IRR
ACM Permanent Crops	\$ 35,000	10/24/2014	\$ 39,100	\$ 10,375	\$ 61,359	\$ 71,733	10.2%
ACM Permanent Crops II	\$ 35,000	5/12/2016	\$ 41,072	\$ 8,885	\$ 19,828	\$ 28,713	-11.1%
AMERRA Agri Fund III	\$ 50,000	2/11/2016	\$ 96,309	\$ 76,257	\$ 24,188	\$ 100,445	1.7%
Denham Mining Fund	\$ 35,000	6/29/2018	\$ 27,833	\$ 659	\$ 33,768	\$ 34,427	8.2%
Homestead Capital Farmland II	\$ 50,000	8/8/2016	\$ 54,683	\$ 10,029	\$ 54,867	\$ 64,896	5.0%
Homestead Capital Farmland III	\$ 30,000	10/26/2018	\$ 24,724	\$ 2,326	\$ 24,390	\$ 26,716	6.3%
Orion Mine Finance Fund II	\$ 50,000	5/25/2016	\$ 101,475	\$ 75,965	\$ 49,664	\$ 125,629	10.0%
Orion Mine Finance Co-Fund II	\$ 20,000	8/13/2018	\$ 20,098	\$ -	\$ 34,087	\$ 34,087	13.4%
Silver Creek Aggregate Reserves Fund*	\$ 100,000	11/6/2018	\$ 15,251	\$ 2,177	\$ 16,039	\$ 18,216	NM
Sprott Private Resource Lending Fund III	\$ 30,000	8/31/2022	\$ 1,334	\$ -	\$ 1,070	\$ 1,070	NM
Taurus Mining Fund	\$ 50,000	3/27/2015	\$ 41,459	\$ 45,684	\$ 4,312	\$ 49,995	7.6%
Taurus Mining Fund Annex	\$ 23,000	12/1/2016	\$ 18,326	\$ 23,152	\$ 1,104	\$ 24,256	17.9%
Taurus Mining Fund No. 2	\$ 75,000	4/18/2019	\$ 62,338	\$ 43,153	\$ 30,886	\$ 74,039	20.5%
Teays River Integrated Agriculture	\$ 200,000	7/1/2015	\$ 198,974	\$ 28,770	\$ 315,333	\$ 344,103	8.1%
Twin Creeks Timber	\$ 200,000	1/7/2016	\$ 199,177	\$ 93,088	\$ 124,020	\$ 217,108	2.4%
U.S. Farming Realty Trust III*	\$ 100,000	7/7/2015	\$ 110,017	\$ 11,565	\$ 128,567	\$ 140,132	5.6%
Canally Coinvest Holdings*	\$ 12,500	12/9/2019	\$ 11,057	\$ -	\$ 11,792	\$ 11,792	4.1%

MainePERS Private Market Investments Summary: 12/31/2022

Private Equity

Fund Name	Commitment		Amount	Total	Current Market	Total Value	Interim Net
	(A)	Date of Commitment	Contributed (B)	Distributions (C)	Value (D)	(C+D)	IRR
ABRY Advanced Securities Fund II	\$ 20,000	5/4/2011	\$ 20,530	\$ 29,628	\$ 416	\$ 30,044	13.1%
ABRY Advanced Securities Fund III	\$ 30,000	4/30/2014	\$ 44,645	\$ 21,345	\$ 21,790	\$ 43,135	-1.1%
ABRY Heritage Partners	\$ 10,000	5/31/2016	\$ 10,774	\$ 10,979	\$ 7,513	\$ 18,492	26.9%
ABRY Partners VII	\$ 10,000	4/29/2011	\$ 12,939	\$ 17,340	\$ 2,138	\$ 19,478	12.3%
ABRY Partners VIII	\$ 20,000	8/8/2014	\$ 23,864	\$ 29,732	\$ 4,189	\$ 33,921	10.5%
ABRY Senior Equity IV	\$ 10,000	12/7/2012	\$ 10,825	\$ 16,643	\$ 1,641	\$ 18,284	15.0%
ABRY Senior Equity V	\$ 12,050	1/19/2017	\$ 12,753	\$ 5,185	\$ 13,557	\$ 18,742	17.1%
Advent International GPE VII	\$ 30,000	6/29/2012	\$ 34,811	\$ 52,335	\$ 6,053	\$ 58,388	13.6%
Advent International GPE VIII	\$ 50,000	2/5/2016	\$ 55,594	\$ 42,125	\$ 61,628	\$ 103,753	18.6%
Advent International GPE IX	\$ 50,000	5/9/2019	\$ 43,504	\$ 3,998	\$ 61,391	\$ 65,389	27.4%
GPE IX TKE Co-Investment	\$ 24,000	3/30/2020	\$ 21,243	\$ -	\$ 27,367	\$ 27,367	10.9%
Advent International GPE X	\$ 45,000	4/28/2022	\$ 1,575	\$ -	\$ 1,470	\$ 1,470	NM
Advent Latin America PE Fund VI	\$ 20,000	10/17/2014	\$ 19,516	\$ 10,750	\$ 19,825	\$ 30,575	13.7%
Affinity Asia Pacific Fund IV	\$ 60,000	2/28/2013	\$ 64,493	\$ 74,402	\$ 26,274	\$ 100,676	14.4%
Affinity Asia Pacific Fund V	\$ 40,000	12/11/2017	\$ 21,340	\$ 4,747	\$ 22,160	\$ 26,907	13.3%
Bain Capital Ventures 2021	\$ 25,000	10/28/2020	\$ 16,688	\$ 1	\$ 18,145	\$ 18,145	7.3%
Bain Capital Ventures 2022	\$ 25,000	6/10/2022	\$ 0	\$ -	\$ (215)	\$ (215)	NM
Bain Capital Venture Coinvestment Fund III	\$ 15,000	4/1/2021	\$ 11,775	\$ -	\$ 13,176	\$ 13,176	NM
Bain Capital Venture Coinvestment Fund IV	\$ 15,000	6/10/2022	\$ -	\$ -	\$ -	\$ -	NM
Berkshire Fund VIII	\$ 15,000	7/20/2011	\$ 16,846	\$ 27,140	\$ 9,857	\$ 36,997	17.2%
Berkshire Fund IX	\$ 50,000	3/18/2016	\$ 56,008	\$ 30,233	\$ 58,503	\$ 88,736	17.2%
Blackstone Capital Partners VI	\$ 30,000	6/30/2010	\$ 37,669	\$ 50,959	\$ 12,125	\$ 63,084	12.5%
Blackstone Capital Partners VII	\$ 54,000	3/27/2015	\$ 60,399	\$ 34,045	\$ 55,319	\$ 89,365	13.5%
Carlyle Asia Partners III	\$ 15,000	12/31/2009	\$ 20,752	\$ 31,105	\$ 174	\$ 31,279	12.6%
Carlyle Asia Partners IV	\$ 60,000	6/3/2014	\$ 79,583	\$ 98,314	\$ 25,916	\$ 124,230	12.5%
Carlyle Asia Partners V	\$ 45,000	10/30/2017	\$ 34,840	\$ 10,769	\$ 30,634	\$ 41,403	13.1%
Centerbridge Capital Partners III	\$ 30,000	10/24/2014	\$ 47,767	\$ 45,744	\$ 29,164	\$ 74,908	19.1%
CB Blizzard Co-Invest	\$ 10,000	9/11/2019	\$ 15,684	\$ 10,053	\$ 1,855	\$ 11,908	-29.0%
Charterhouse Capital Partners VIII	\$ 13,500	1/6/2011	\$ 11,188	\$ 14,160	\$ -	\$ 14,160	7.9%
Charterhouse Capital Partners IX	\$ 4,500	1/6/2011	\$ 5,373	\$ 7,091	\$ 147	\$ 7,238	11.9%
Charterhouse Capital Partners X	\$ 67,000	5/13/2015	\$ 57,291	\$ 46,517	\$ 56,070	\$ 102,587	21.2%

(all dollar amounts in thousands)

MainePERS Private Market Investments Summary: 12/31/2022

Private Equity

Fund Name	Commitment		Amount	Total	Current Market	Total Value	Interim Net
	(A)	Date of Commitment	Contributed (B)	Distributions (C)	Value (D)	(C+D)	IRR
Charterhouse Acrostone	\$ 12,000	8/24/2018	\$ 13,254	\$ 21,268	\$ 6	\$ 21,274	16.9%
Charterhouse Capital Partners XI	\$ 45,000	4/23/2021	\$ 5,341	\$ -	\$ 6,865	\$ 6,865	NM
CVC Capital Partners VI	\$ 67,000	7/12/2013	\$ 97,450	\$ 101,991	\$ 71,012	\$ 173,003	17.2%
CVC Capital Partners VII	\$ 48,000	5/9/2017	\$ 72,466	\$ 33,464	\$ 67,779	\$ 101,244	22.5%
CVC Capital Partners VIII	\$ 44,000	6/11/2020	\$ 45,075	\$ 20,187	\$ 25,756	\$ 45,943	6.9%
EnCap Energy Capital VIII	\$ 30,000	1/31/2011	\$ 34,181	\$ 22,530	\$ 13,063	\$ 35,593	0.9%
EnCap Energy Capital Fund VIII Co-Investors, L.P.	\$ 16,238	12/8/2011	\$ 16,500	\$ 5,268	\$ 7,316	\$ 12,583	-3.9%
EnCap Energy Capital Fund IX	\$ 30,000	12/19/2012	\$ 34,541	\$ 36,142	\$ 13,418	\$ 49,560	10.4%
EnCap Energy Capital Fund X	\$ 40,000	3/5/2015	\$ 41,628	\$ 36,371	\$ 39,358	\$ 75,729	15.7%
EnCap Energy Capital Fund XI	\$ 40,000	5/31/2017	\$ 37,809	\$ 9,388	\$ 44,558	\$ 53,946	19.8%
EnCap Flatrock Midstream Fund III	\$ 20,000	4/9/2014	\$ 25,130	\$ 17,611	\$ 17,056	\$ 34,667	11.4%
EnCap Flatrock Midstream Fund IV	\$ 22,000	11/17/2017	\$ 19,461	\$ 7,454	\$ 15,026	\$ 22,480	8.4%
General Catalyst X - Early Venture	\$ 19,565	3/26/2020	\$ 18,391	\$ -	\$ 34,711	\$ 34,711	40.5%
General Catalyst X - Endurance	\$ 22,826	3/26/2020	\$ 22,859	\$ -	\$ 23,252	\$ 23,252	0.9%
General Catalyst X - Growth Venture	\$ 32,609	3/26/2020	\$ 31,467	\$ -	\$ 39,286	\$ 39,286	12.3%
General Catalyst XI - Creation	\$ 8,823	10/29/2021	\$ 2,143	\$ -	\$ 2,424	\$ 2,424	NM
General Catalyst XI - Endurance	\$ 29,412	10/29/2021	\$ 16,842	\$ -	\$ 16,121	\$ 16,121	NM
General Catalyst XI - Ignition	\$ 11,765	10/29/2021	\$ 6,910	\$ -	\$ 6,510	\$ 6,510	NM
GTCR Fund X	\$ 30,000	1/28/2011	\$ 31,766	\$ 64,445	\$ 196	\$ 64,641	21.4%
GTCR Fund XI	\$ 35,000	11/15/2013	\$ 34,196	\$ 67,178	\$ 42,751	\$ 109,929	33.7%
GTCR Fund XII	\$ 50,000	9/29/2017	\$ 51,223	\$ 31,746	\$ 54,677	\$ 86,423	27.9%
Co-Investment #1	\$ 5,238	4/26/2019	\$ 4,556	\$ -	\$ 9,107	\$ 9,107	20.9%
Co-Investment #2	\$ 5,997	11/1/2019	\$ 5,806	\$ 10,935	\$ 2,815	\$ 13,750	48.4%
GTCR XIII	\$ 50,000	10/27/2020	\$ 25,573	\$ 5,447	\$ 24,667	\$ 30,113	31.9%
GTCR XIV	\$ 50,000	12/16/2022	\$ -	\$ -	\$ -	\$ -	NM
H.I.G. Bayside Loan Fund II	\$ 25,000	5/28/2010	\$ 24,192	\$ 29,602	\$ 3,008	\$ 32,609	7.1%
H.I.G. Bayside Loan Ops Fund III (Europe)	\$ 30,000	7/27/2012	\$ 26,707	\$ 31,070	\$ 3,994	\$ 35,065	7.7%
H.I.G. Brazil & Latin America Partners	\$ 60,000	7/1/2015	\$ 64,605	\$ 19,264	\$ 68,073	\$ 87,337	11.3%
H.I.G. Capital Partners V	\$ 15,000	2/28/2013	\$ 19,618	\$ 25,123	\$ 13,597	\$ 38,720	23.8%
H.I.G. Europe Capital Partners II	\$ 22,500	7/1/2013	\$ 25,240	\$ 20,667	\$ 14,203	\$ 34,869	11.5%
H.I.G. Growth Buyouts & Equity Fund II	\$ 17,500	6/30/2011	\$ 22,235	\$ 24,210	\$ 16,316	\$ 40,526	15.1%

(all dollar amounts in thousands)

MainePERS Private Market Investments Summary: 12/31/2022

Private Equity

Fund Name	Commitment		Amount	Total	Current Market	Total Value	Interim Net
	(A)	Date of Commitment	Contributed (B)	Distributions (C)	Value (D)	(C+D)	IRR
H.I.G. Growth Buyouts & Equity Fund III	\$ 35,000	9/13/2018	\$ 12,901	\$ -	\$ 12,960	\$ 12,960	NM
H.I.G Middle Market LBO Fund II	\$ 40,000	2/7/2014	\$ 47,563	\$ 63,274	\$ 28,482	\$ 91,755	28.9%
Co-Investment #1	\$ 9,000	10/12/2017	\$ 9,000	\$ -	\$ (21)	\$ (21)	-100.0%
Co-Investment #2*	\$ 686	6/19/2020	\$ 686	\$ -	\$ 851	\$ 851	9.9%
Co-Investment #3	\$ 1,000	6/1/2021	\$ 1,079	\$ -	\$ 533	\$ 533	NM
H.I.G. Middle Market LBO Fund III	\$ 40,000	7/23/2019	\$ 31,544	\$ 1,587	\$ 36,303	\$ 37,890	23.7%
Hellman & Friedman Capital Partners VII	\$ 30,000	6/19/2009	\$ 44,344	\$ 105,630	\$ 5,944	\$ 111,574	24.7%
Hellman & Friedman Capital Partners VIII	\$ 45,000	9/24/2014	\$ 48,585	\$ 26,839	\$ 53,920	\$ 80,759	14.3%
Hellman & Friedman Capital Partners IX	\$ 45,000	9/28/2018	\$ 44,478	\$ 1,069	\$ 55,590	\$ 56,660	13.2%
Hellman & Friedman Capital Partners X	\$ 45,000	5/10/2021	\$ 24,529	\$ -	\$ 23,806	\$ 23,806	NM
Inflexion Buyout Fund IV	\$ 27,000	9/30/2014	\$ 33,724	\$ 34,364	\$ 24,832	\$ 59,196	15.8%
Inflexion Partnership Capital Fund I	\$ 17,000	9/30/2014	\$ 24,044	\$ 31,197	\$ 12,238	\$ 43,435	21.8%
Inflexion Supplemental Fund IV	\$ 10,000	5/31/2016	\$ 14,839	\$ 20,923	\$ 7,187	\$ 28,110	23.9%
Kelso Investment Associates VIII	\$ 3,000	1/6/2011	\$ 3,022	\$ 4,263	\$ 138	\$ 4,400	8.1%
Kelso Investment Associates IX	\$ 60,000	11/5/2014	\$ 70,036	\$ 86,523	\$ 32,063	\$ 118,586	20.0%
KIA IX (Hammer) Investor	\$ 25,000	8/12/2016	\$ 25,426	\$ 69,298	\$ 314	\$ 69,612	21.4%
Kelso Investment Associates X	\$ 45,000	3/16/2018	\$ 43,462	\$ 13,274	\$ 66,218	\$ 79,492	38.7%
Kelso Investment Associates XI	\$ 45,000	12/22/2021	\$ 7,625	\$ 174	\$ 9,839	\$ 10,014	NM
Kelso XI Heights Co-Investment	\$ 12,000	8/19/2022	\$ 10,013	\$ -	\$ 10,743	\$ 10,743	NM
KKR North American Fund XI	\$ 60,000	2/7/2012	\$ 100,095	\$ 164,760	\$ 23,823	\$ 188,582	19.6%
KKR North America Fund XI (Platinum)	\$ 8,003	2/26/2016	\$ 8,040	\$ 2,313	\$ 5,983	\$ 8,296	0.7%
KKR Element Co-Invest	\$ 10,000	8/29/2016	\$ 10,050	\$ 24,030	\$ -	\$ 24,030	23.5%
KKR Americas XII	\$ 60,000	3/3/2016	\$ 61,190	\$ 25,425	\$ 70,962	\$ 96,387	18.7%
KKR Sigma Aggregator	\$ 15,000	6/22/2018	\$ 15,000	\$ -	\$ 21,536	\$ 21,536	8.3%
KKR Enterprise Co-Invest	\$ 15,000	10/11/2018	\$ 15,000	\$ -	\$ -	\$ -	-100.0%
KKR Enterprise Co-Invest AIV A	\$ 8,936	11/8/2019	\$ 8,936	\$ 7,243	\$ 2,046	\$ 9,289	4.2%
KKR North America XIII	\$ 40,000	6/25/2021	\$ 11,272	\$ -	\$ 11,039	\$ 11,039	NM
KKR Special Situations Fund	\$ 60,000	12/19/2012	\$ 118,957	\$ 98,883	\$ 11,674	\$ 110,557	-2.6%
KKR Special Situations Fund II	\$ 60,000	12/19/2014	\$ 98,111	\$ 76,668	\$ 26,253	\$ 102,921	2.0%
Oaktree Opportunities VIII	\$ 30,000	12/9/2009	\$ 30,000	\$ 43,868	\$ 194	\$ 44,063	9.1%
ONCAP IV	\$ 15,000	11/8/2016	\$ 12,917	\$ 2,725	\$ 17,352	\$ 20,077	14.7%

(all dollar amounts in thousands)

MainePERS Private Market Investments Summary: 12/31/2022

Private Equity

Fund Name	Commitment		Amount	Total	Current Market	Total Value	Interim Net
	(A)	Date of Commitment	Contributed (B)	Distributions (C)	Value (D)	(C+D)	IRR
Onex Partners III	\$ 10,000	1/6/2011	\$ 11,202	\$ 17,022	\$ 1,728	\$ 18,750	13.2%
Onex Partners IV	\$ 60,000	11/22/2013	\$ 62,871	\$ 50,076	\$ 39,295	\$ 89,372	8.3%
Co-Investment #1	\$ 10,000	2/27/2017	\$ 10,471	\$ 1,235	\$ 8,778	\$ 10,013	-0.9%
Onex Partners V	\$ 45,000	7/11/2017	\$ 39,000	\$ 5,646	\$ 42,129	\$ 47,775	14.6%
Paine & Partners Capital Fund IV	\$ 60,000	12/18/2014	\$ 53,644	\$ 29,070	\$ 42,663	\$ 71,733	7.2%
Wawona Co-Investment Fund I	\$ 15,000	3/31/2017	\$ 15,023	\$ -	\$ 4	\$ 4	-100.0%
Lyons Magnus Co-Investment Fund I	\$ 15,000	11/8/2017	\$ 15,016	\$ -	\$ 32,420	\$ 32,420	16.1%
PSP Maverick Co-Invest	\$ 7,238	9/12/2019	\$ 7,264	\$ -	\$ 537	\$ 537	-55.0%
PSP AH&N Co-Investment Fund	\$ 19,724	11/27/2019	\$ 17,539	\$ -	\$ 31,395	\$ 31,395	22.3%
Paine Schwartz Food Chain Fund V	\$ 45,000	8/3/2018	\$ 45,366	\$ 12,976	\$ 48,365	\$ 61,341	30.2%
SNFL Co-Investment Fund	\$ 10,000	10/11/2019	\$ 5,024	\$ 265	\$ 9,700	\$ 9,964	23.9%
Rhone Partners V	\$ 56,000	3/12/2015	\$ 71,024	\$ 34,601	\$ 77,438	\$ 112,039	15.6%
Riverside Capital Appreciation Fund VI	\$ 60,000	7/3/2013	\$ 61,710	\$ 79,808	\$ 17,397	\$ 97,205	12.1%
RCAF VI CIV XXXII	\$ 12,399	10/21/2015	\$ 12,687	\$ 35,260	\$ -	\$ 35,260	19.9%
Riverside Micro-Cap Fund III	\$ 35,000	6/30/2014	\$ 49,448	\$ 183,115	\$ 64,159	\$ 247,274	37.5%
Riverside Micro-Cap Fund IV	\$ 60,000	10/23/2015	\$ 55,659	\$ -	\$ 93,267	\$ 93,267	10.7%
Riverside Micro-Cap Fund IV-B	\$ 20,000	8/9/2019	\$ 24,292	\$ 5,583	\$ 35,920	\$ 41,503	29.1%
Riverside Micro-Cap Fund V	\$ 40,000	8/21/2018	\$ 32,245	\$ -	\$ 47,597	\$ 47,597	20.6%
Riverside Micro-Cap Fund VI	\$ 45,000	8/26/2021	\$ 2,989	\$ -	\$ 2,421	\$ 2,421	NM
Shoreview Capital Partners III	\$ 24,000	7/24/2013	\$ 25,134	\$ 28,438	\$ 24,109	\$ 52,547	19.0%
Shoreview Capital Partners IV	\$ 30,000	6/3/2019	\$ 10,422	\$ 5,768	\$ 9,377	\$ 15,145	NM
Sovereign Capital IV	\$ 46,500	7/7/2014	\$ 40,344	\$ 21,967	\$ 37,188	\$ 59,156	10.9%
Summit Partners Credit II	\$ 60,000	10/25/2013	\$ 90,752	\$ 87,328	\$ 19,021	\$ 106,350	6.2%
Summit Europe Growth Equity III	\$ 22,000	3/18/2020	\$ 12,304	\$ -	\$ 11,139	\$ 11,139	-8.7%
Summit Growth Equity VIII	\$ 25,000	5/27/2011	\$ 33,302	\$ 62,393	\$ 13,367	\$ 75,760	26.6%
Co-Investment #1*	\$ 16,000	6/3/2015	\$ 16,000	\$ 38,735	\$ 16,654	\$ 55,390	32.0%
Summit Growth Equity IX	\$ 60,000	8/26/2015	\$ 83,322	\$ 88,968	\$ 88,520	\$ 177,488	33.6%
Co-Investment #1	\$ 15,000	11/29/2016	\$ 14,895	\$ 41,743	\$ -	\$ 41,743	159.6%
Summit Partners Co-Invest (Ironman)	\$ 15,000	4/20/2018	\$ 15,004	\$ -	\$ 14,979	\$ 14,979	0.0%
Summit Partners Co-Invest (Giants-B)	\$ 15,000	10/22/2019	\$ 15,000	\$ 41,780	\$ 5,244	\$ 47,024	82.5%
Summit Growth Equity X	\$ 60,000	2/26/2019	\$ 59,432	\$ 18,176	\$ 56,502	\$ 74,678	19.2%

(all dollar amounts in thousands)

MainePERS Private Market Investments Summary: 12/31/2022

Private Equity

Fund Name	Commitment		Amount	Total	Current Market	Total Value	Interim Net
	(A)	Date of Commitment	Contributed (B)	Distributions (C)	Value (D)	(C+D)	IRR
Summit Partners Co-Invest (Lions)	\$ 7,534	10/14/2020	\$ 7,534	\$ -	\$ 12,399	\$ 12,399	26.8%
Summit Partners Co-Invest (Indigo)	\$ 10,000	12/11/2020	\$ 11,436	\$ -	\$ 11,426	\$ 11,426	0.0%
Summit Growth Equity XI	\$ 45,000	10/1/2021	\$ 5,097	\$ -	\$ 5,363	\$ 5,363	NM
Summit Venture Capital III	\$ 13,150	5/27/2011	\$ 18,044	\$ 32,899	\$ 2,468	\$ 35,368	17.5%
Summit Venture Capital IV	\$ 40,000	8/26/2015	\$ 50,075	\$ 48,377	\$ 59,981	\$ 108,358	41.0%
Summit Venture Capital V	\$ 45,000	6/16/2020	\$ 24,136	\$ 773	\$ 23,181	\$ 23,954	-0.9%
Summit Partners Co-Invest (CS)	\$ 12,000	10/22/2021	\$ 12,007	\$ -	\$ 10,198	\$ 10,198	NM
Technology Crossover Ventures VIII	\$ 60,000	5/8/2013	\$ 52,307	\$ 39,509	\$ 62,446	\$ 101,955	11.0%
Technology Crossover Ventures IX	\$ 60,000	2/19/2016	\$ 48,428	\$ 46,154	\$ 48,507	\$ 94,661	20.2%
TCV Sports	\$ 8,000	9/25/2018	\$ 8,000	\$ -	\$ 8,689	\$ 8,689	2.0%
Technology Crossover Ventures X	\$ 45,000	8/31/2018	\$ 36,448	\$ 6,801	\$ 58,632	\$ 65,433	25.2%
Technology Crossover Ventures XI	\$ 45,000	10/2/2020	\$ 23,033	\$ -	\$ 20,797	\$ 20,797	-8.5%
Technology Impact Fund*	\$ 40,000	12/18/2017	\$ 36,809	\$ 23,243	\$ 81,527	\$ 104,770	55.6%
Technology Impact Fund II*	\$ 40,000	4/13/2021	\$ 9,973	\$ -	\$ 10,004	\$ 10,004	NM
Technology Impact Growth Fund*	\$ 40,000	11/26/2018	\$ 47,650	\$ 26,676	\$ 32,540	\$ 59,216	12.6%
Technology Impact Growth Fund II	\$ 40,000	8/6/2021	\$ 7,508	\$ -	\$ 6,278	\$ 6,278	NM
Thoma Bravo Fund XI	\$ 50,000	5/1/2014	\$ 70,928	\$ 128,508	\$ 59,903	\$ 188,410	26.6%
Thoma Bravo Fund XII	\$ 60,000	4/27/2016	\$ 78,447	\$ 80,943	\$ 61,581	\$ 142,524	16.6%
Thoma Bravo Fund XIII	\$ 45,000	12/7/2018	\$ 59,671	\$ 31,856	\$ 65,653	\$ 97,509	30.9%
Thoma Bravo Special Opportunities Fund II	\$ 15,000	3/27/2015	\$ 18,113	\$ 21,091	\$ 14,705	\$ 35,796	16.2%
Thoma Bravo Discover Fund IV	\$ 45,000	7/1/2022	\$ 6,952	\$ -	\$ 6,697	\$ 6,697	NM
Tillridge Global Agribusiness Partners II	\$ 50,000	10/21/2016	\$ 28,819	\$ 2,900	\$ 23,703	\$ 26,603	-3.2%
Water Street Healthcare Partners III	\$ 25,000	7/25/2012	\$ 29,890	\$ 78,657	\$ 6,332	\$ 84,989	35.2%
Water Street Healthcare Partners IV	\$ 33,000	9/15/2017	\$ 34,342	\$ 10,624	\$ 31,037	\$ 41,660	9.4%
Water Street Healthcare Partners V	\$ 43,000	4/15/2022	\$ 2,989	\$ -	\$ 2,388	\$ 2,388	NM
Wayzata Opportunities Fund III	\$ 30,000	9/11/2012	\$ 14,718	\$ 10,875	\$ 4,257	\$ 15,131	0.6%
Wynnchurch Capital Partners IV	\$ 40,000	10/23/2014	\$ 38,047	\$ 38,503	\$ 57,863	\$ 96,366	28.2%
Wynnchurch Capital Partners V	\$ 40,000	1/15/2020	\$ 21,218	\$ 271	\$ 26,857	\$ 27,128	22.7%

(all dollar amounts in thousands)

MainePERS Private Market Investments Summary: 12/31/2022

Real Estate

Fund Name	Commitment (A)	Date of Commitment	Amount Contributed (B)	Total Distributions (C)	Current Market Value (D)	Total Value (C+D)	Interim Net IRR
Angelo Gordon Net Lease IV	\$ 50,000	2/17/2020	\$ 35,463	\$ 1,855	\$ 37,130	\$ 38,985	6.4%
Angelo Gordon Realty Fund XI	\$ 50,000	3/31/2022	\$ 3,500	\$ -	\$ 3,136	\$ 3,136	NM
Bain Capital Real Estate II	\$ 50,000	3/5/2021	\$ 20,750	\$ 2,365	\$ 21,768	\$ 24,133	NM
Blackrock Granite Property Fund	\$ 63,791	9/30/2006	\$ 68,771	\$ 53,312	\$ -	\$ 53,312	-4.9%
Blackstone Property Partners	\$ 350,000	6/29/2017	\$ 350,000	\$ 37,439	\$ 434,354	\$ 471,793	7.5%
Blackstone Real Estate Partners VII	\$ 75,000	2/26/2012	\$ 104,197	\$ 155,169	\$ 15,498	\$ 170,667	15.2%
Blackstone Real Estate Partners VIII	\$ 50,000	3/27/2015	\$ 63,423	\$ 64,617	\$ 38,889	\$ 103,506	16.6%
Blackstone Real Estate Partners IX	\$ 40,000	12/21/2018	\$ 42,576	\$ 14,854	\$ 46,361	\$ 61,216	29.9%
Barings Asia Real Estate II	\$ 50,000	7/31/2018	\$ 21,041	\$ -	\$ 18,792	\$ 18,792	NM
EQT Real Estate II	\$ 55,000	4/26/2019	\$ 29,231	\$ 4,956	\$ 27,351	\$ 32,306	7.7%
EQT Real Estate Rock Co-Investment	\$ 11,000	8/10/2020	\$ 8,844	\$ -	\$ 10,486	\$ 10,486	10.0%
H/2 Credit Partners, L.P.	\$ 75,000	6/21/2011	\$ 75,000	\$ 112,177	\$ -	\$ 112,177	5.9%
Harrison Street Core Property Fund, L.P.	\$ 75,000	4/30/2012	\$ 95,246	\$ 50,369	\$ 134,928	\$ 185,297	8.9%
HSRE-Coyote Maine PERS Core Co-Investment	\$ 20,000	12/4/2020	\$ 14,146	\$ 371	\$ 17,107	\$ 17,478	10.9%
High Street Real Estate Fund IV, L.P.	\$ 25,000	8/23/2013	\$ 24,717	\$ 34,157	\$ -	\$ 34,157	14.7%
High Street Real Estate Fund V	\$ 25,000	7/24/2015	\$ 24,925	\$ 36,176	\$ -	\$ 36,176	13.2%
High Street Real Estate Fund VI	\$ 25,000	3/22/2019	\$ 25,000	\$ 3,276	\$ 36,302	\$ 39,579	24.2%
HSREF VI Elgin Co-Invest	\$ 10,000	4/9/2021	\$ 10,000	\$ 809	\$ 13,451	\$ 14,260	NM
High Street Real Estate Fund VII	\$ 35,000	8/16/2021	\$ 33,151	\$ -	\$ 34,605	\$ 34,605	NM
Hines US Property Partners	\$ 200,000	9/9/2021	\$ 81,425	\$ 9,866	\$ 77,258	\$ 87,124	NM
Invesco Real Estate Asia IV	\$ 30,000	3/25/2020	\$ 20,930	\$ 10,802	\$ 11,910	\$ 22,712	14.7%
Invesco US Income Fund	\$ 195,000	7/17/2014	\$ 219,765	\$ 61,042	\$ 332,319	\$ 393,361	12.0%
IPI Data Center Partners I	\$ 30,000	12/15/2017	\$ 33,547	\$ 18,263	\$ 38,123	\$ 56,386	20.9%
IPI Data Center Partners II	\$ 25,000	12/20/2019	\$ 16,454	\$ 1,619	\$ 14,464	\$ 16,084	-2.9%
JPMCB Strategic Property Fund	\$ 130,000	11/15/2005	\$ 186,941	\$ 297,519	\$ -	\$ 297,519	5.8%
KKR Real Estate Partners Europe I	\$ 50,000	12/2/2015	\$ 52,416	\$ 49,595	\$ 18,587	\$ 68,182	10.0%
KKR Real Estate Partners Europe II	\$ 25,000	12/23/2019	\$ 17,993	\$ 5,596	\$ 13,791	\$ 19,386	8.2%
KKR Real Estate Partners Americas I	\$ 50,000	12/20/2013	\$ 49,954	\$ 59,370	\$ 2,234	\$ 61,604	11.0%
KKR Real Estate Partners Americas II	\$ 50,000	6/2/2016	\$ 58,736	\$ 67,659	\$ 14,700	\$ 82,359	21.8%
Northbridge-Strategic Fund II	\$ 30,000	2/8/2019	\$ 30,000	\$ 3,411	\$ 39,252	\$ 42,662	9.9%
Prima Mortgage Investment Trust, LLC	\$ 75,000	7/29/2011	\$ 97,490	\$ 131,918	\$ -	\$ 131,918	3.8%
Principal Life Insurance Company U.S. 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%

(all dollar amounts in thousands)

MainePERS Private Market Investments Summary: 12/31/2022

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
Rubenstein Properties Fund III	\$ 30,000	10/23/2015	\$ 30,606	\$ 627	\$ 22,985	\$ 23,612	-6.3%
LCC Co-Investor B	\$ 15,000	10/18/2019	\$ 14,917	\$ -	\$ 8,853	\$ 8,853	-17.3%
Rubenstein Properties Fund IV	\$ 25,000	4/16/2019	\$ 8,232	\$ 2	\$ 6,099	\$ 6,100	NM
Prudential Senior Housing Fund V	\$ 50,000	3/17/2015	\$ 41,333	\$ 5,453	\$ 53,549	\$ 59,002	7.2%
Smart Markets Fund, L.P.	\$ 195,000	6/17/2013	\$ 172,542	\$ 64,683	\$ 275,970	\$ 340,653	10.3%
Stonelake Opportunity Partners VII	\$ 40,000	6/30/2022	\$ 0	\$ -	\$ (202)	\$ (202)	NM
Walton Street Real Estate Fund VII	\$ 50,000	5/9/2012	\$ 43,990	\$ 49,882	\$ 11,940	\$ 61,821	9.7%
Walton Street Real Estate Fund VIII	\$ 50,000	10/23/2015	\$ 42,685	\$ 32,752	\$ 25,672	\$ 58,423	10.4%
Co-Investment #1	\$ 10,000	9/27/2017	\$ 9,626	\$ 4,160	\$ 3,889	\$ 8,049	-5.4%
Westbrook Real Estate Fund IX	\$ 15,000	6/30/2014	\$ 17,399	\$ 17,500	\$ 2,911	\$ 20,412	5.9%
Westbrook Real Estate Fund X	\$ 50,000	1/15/2015	\$ 48,574	\$ 42,649	\$ 17,634	\$ 60,283	9.9%
Westbrook Real Estate Fund XI	\$ 40,000	1/31/2019	\$ 18,603	\$ 7,755	\$ 14,292	\$ 22,047	NM

MainePERS Private Market Investments Summary: 12/31/2022

Notes: *As of 9/30/2022. 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.

MainePERS Dashboard as of March 31, 2023

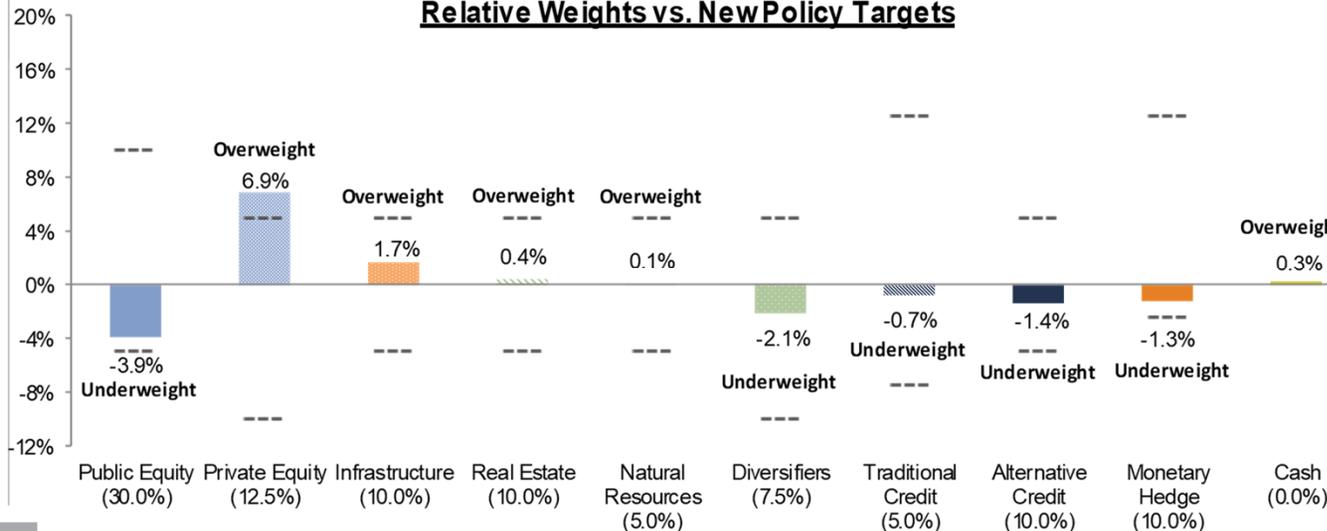
Summary Portfolio Observations

- The MainePERS total portfolio market value at the end of Q1 2023 was \$18,378.8 million. The portfolio returned 2.3% in the quarter ended March 31, 2023, with relative underperformance primarily driven by Private Equity & Natural Resources. Over the past five years, the portfolio has generated annualized returns of 8.1%.

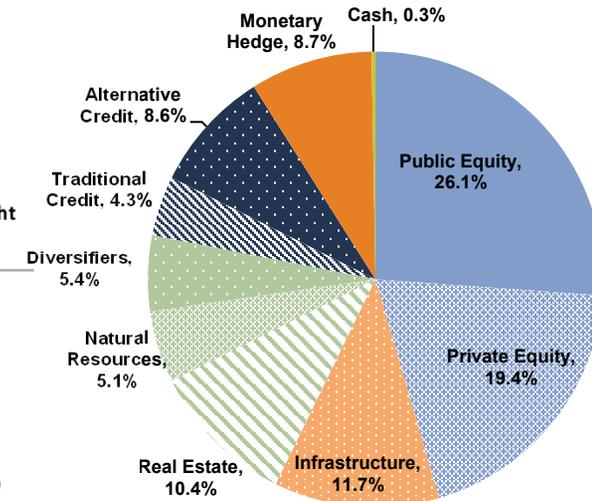
Total Fund Performance (3/31/2023)

	Q1 2023	Tr. 1 Year	Tr. 3 Year	Tr. 5 Year
Total Fund Composite	2.3	-1.9	11.2	8.1
MainePERS Policy Index	4.5	-2.8	10.0	7.5
Value Add	-2.2	0.9	1.2	0.6

Relative Weights vs. New Policy Targets



Asset Allocation





Copyright © 2023 by Cambridge Associates LLC. All rights reserved.

The information and material published in this report is nontransferable. Therefore, recipients may not disclose any information or material derived from this report to third parties or use information or material from this report without prior written authorization unless such use is in accordance with an agreement with Cambridge Associates ("CA"). Nothing contained in this document should be construed as the provision of tax, accounting, or legal advice. PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE PERFORMANCE. Broad-based securities indexes are unmanaged and are not subject to fees and expenses typically associated with managed accounts or investment funds. Investments cannot be made directly in an index. Any information provided in this document is as of the date of the document, and CA is under no obligation to update the information or communicate that any updates have been made.

The information contained herein represents CA's estimates of investment performance, portfolio positioning and manager information including but not limited to fees, liquidity, attribution and strategy and are prepared using information available at the time of production. Though CA makes reasonable efforts to discover inaccuracies in the data used in this report, CA cannot guarantee the accuracy and is ultimately not liable for inaccurate information provided by external sources. CA is under no obligation to update the information or communicate that any updates have been made. Clients should compare the investment values with the statements sent directly from their custodians, administrators or investment managers, and similarly, are ultimately responsible for ensuring that manager information and details are correct. Historical results can and likely will adjust over time as updated information is received. Estimated, preliminary, and/or proxy information may be displayed and can change with finalized information over time, and CA disclaims any obligation to update a previously provided report when such changes occur. Some of the data contained herein or on which the research is based is current public information that CA considers reliable, but CA does not represent it as accurate or complete, and it should not be relied on as such. This report is not intended as a Book of Record nor is it intended for valuation, reconciliation, accounting, auditing, or staff compensation purposes, and CA assumes no responsibility if the report is used in any of these ways.

The primary data source for information is the investment manager and/or fund administrator, therefore data may not match custodial or other client records due to differences in data sourcing, methodology, valuation practices, etc. Estimated values may include prior quarter end data adjusted by a proxy benchmark or by subsequent cash flows. In some instances, data may be sourced directly from a client and/or prior advisors or service providers. CA makes no representations that data reported by unaffiliated parties is accurate, and the information contained herein is not reconciled with manager, custodian, and/or client records. There are multiple methodologies available for use in the calculation of portfolio performance, and each may yield different results. Differences in both data inputs and calculation methodologies can lead to different calculation results. Expected return, efficient frontier analysis and methodology may include equilibrium asset class assumptions derived from CA's Capital Markets Group, and such assumptions are available upon request.

The terms "CA" or "Cambridge Associates" may refer to any one or more CA entity including: Cambridge Associates, LLC (a registered investment adviser with the US Securities and Exchange Commission, a Commodity Trading Adviser registered with the US Commodity Futures Trading Commission and National Futures Association, and a Massachusetts limited liability company with offices in Arlington, VA; Boston, MA; Dallas, TX; Menlo Park, CA, New York, NY; and San Francisco, CA), Cambridge Associates Limited (a registered limited company in England and Wales, No. 06135829, that is authorized and regulated by the UK Financial Conduct Authority in the conduct of Investment Business, reference number: 474331); Cambridge Associates GmbH (authorized and regulated by the Bundesanstalt für Finanzdienstleistungsaufsicht ("BaFin"), Identification Number: 155510), Cambridge Associates Asia Pte Ltd (a Singapore corporation, registration No. 200101063G, which holds a Capital Market Services License to conduct Fund Management for Accredited and/or Institutional Investors only by the Monetary Authority of Singapore), Cambridge Associates Limited, LLC (a registered investment adviser with the US Securities and Exchange Commission, an Exempt Market Dealer and Portfolio Manager in the Canadian provinces of Alberta, British Columbia, Manitoba, Newfoundland and Labrador, Nova Scotia, Ontario, Québec, and Saskatchewan, and a Massachusetts limited liability company with a branch office in Sydney, Australia, ARBN 109 366 654), Cambridge Associates Investment Consultancy (Beijing) Ltd (a wholly owned subsidiary of Cambridge Associates, LLC which is registered with the Beijing Administration for Industry and Commerce, registration No. 110000450174972), and Cambridge Associates (Hong Kong) Private Limited (a Hong Kong Private Limited Company licensed by the Securities and Futures Commission of Hong Kong to conduct the regulated activity of advising on securities to professional investors).

MAINEPERS

FIRST QUARTER 2023 PERFORMANCE REVIEW

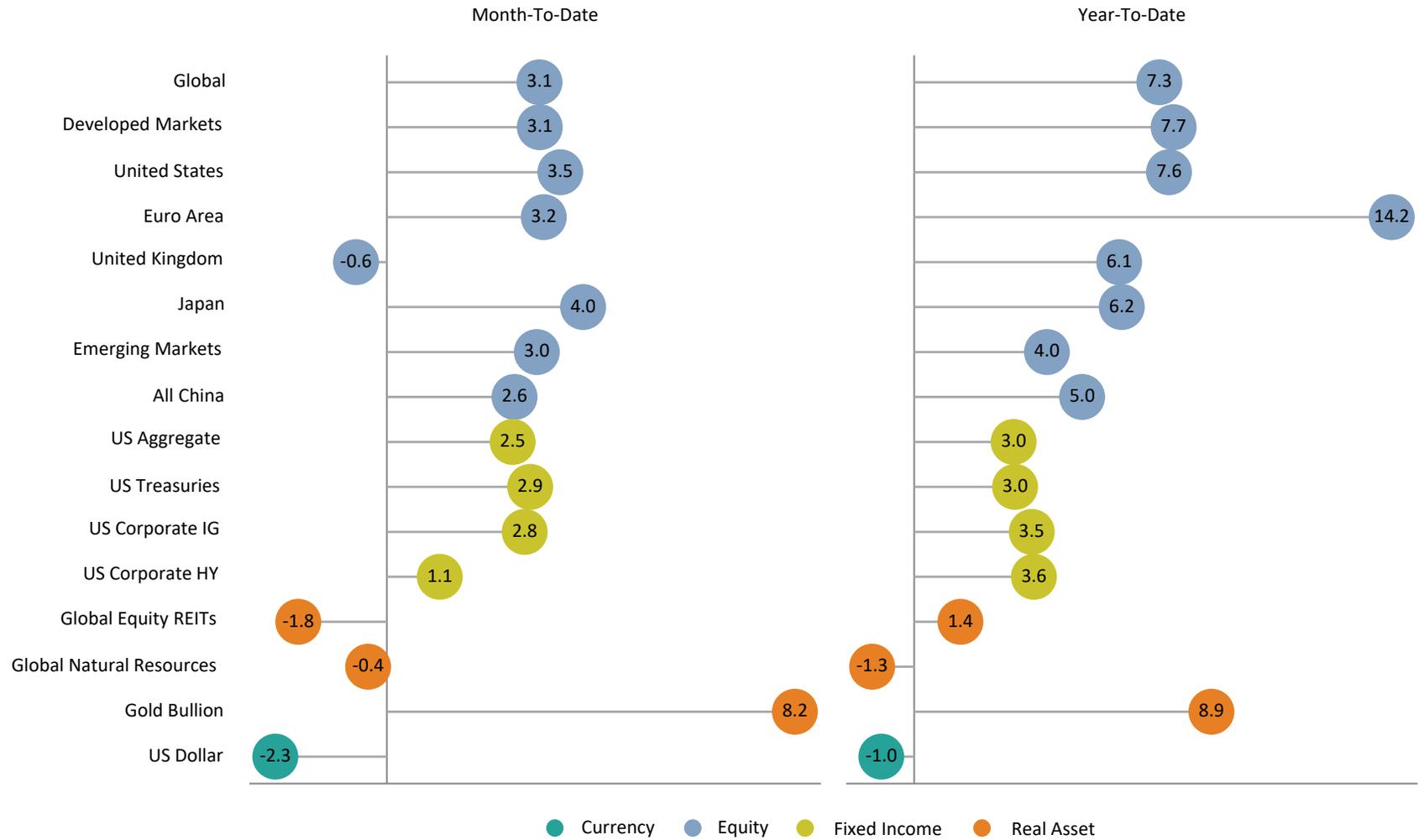


MARKET UPDATE



Risk assets rose in March, despite stress in the banking sector

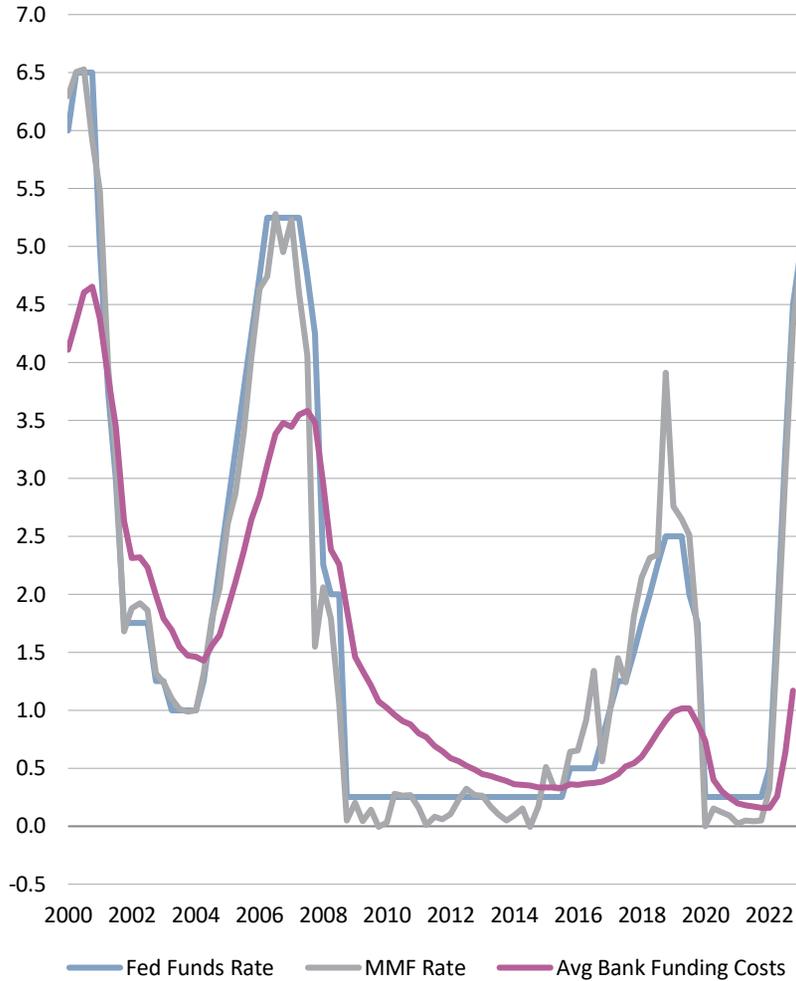
GLOBAL ASSET CLASS PERFORMANCE As of March 31, 2023 • US Dollar • Percent (%)



Some smaller, more vulnerable US banks have cracked under the pressure of higher rates

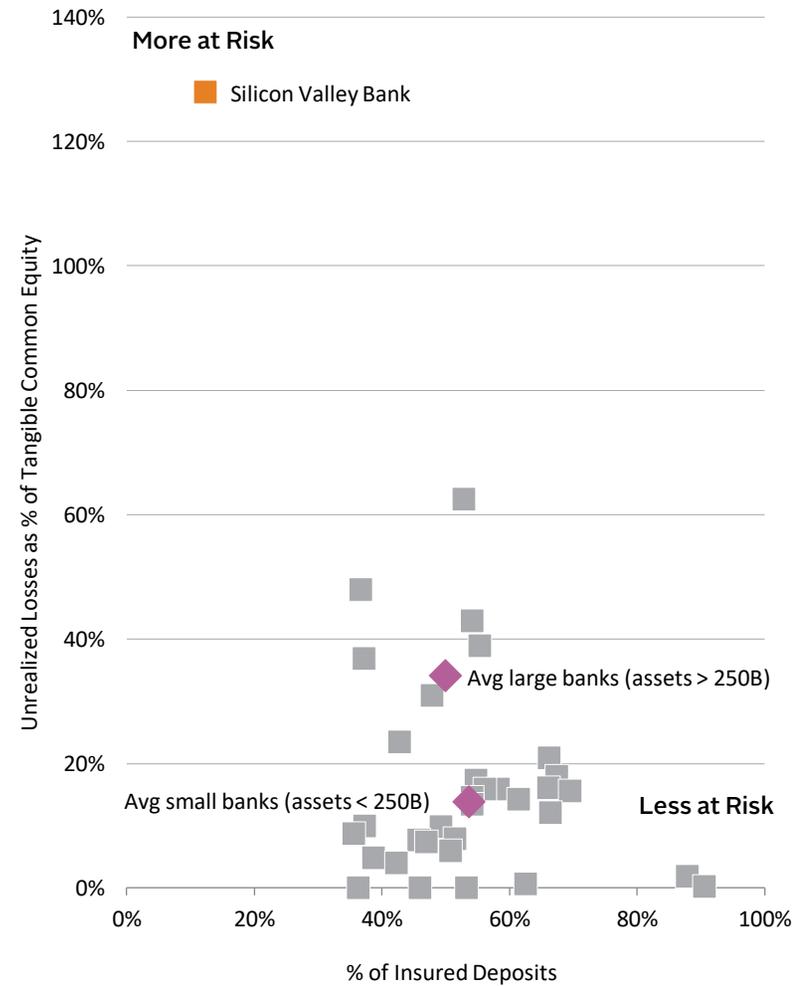
US INTEREST RATES

March 31, 2000 – March 31, 2023 • Percent (%)



RISK FACTORS IMPACTING US BANKS DEPOSITS

As of Fourth Quarter 2022 • Percent (%)



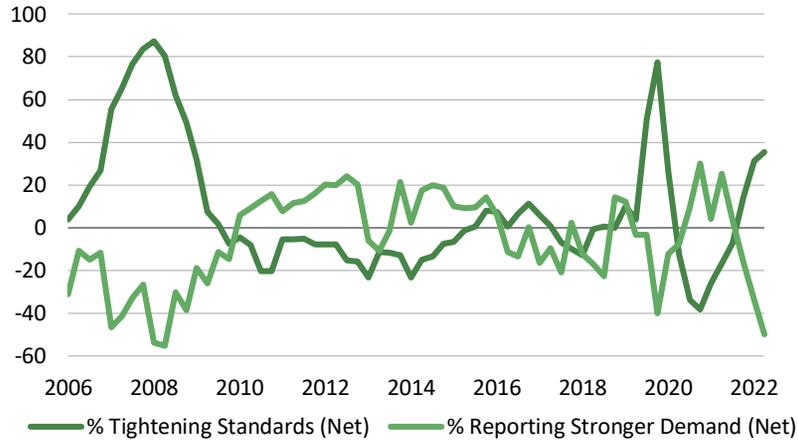
Sources: Bloomberg L.P., FDIC, and Thomson Reuters Datastream.

Notes: LHS data are quarterly. Average bank funding costs are total interest expense paid on deposits and other borrowed money as a percentage of average earning assets. This is being used as a proxy for US bank deposit rates and are as of December 31, 2022. RHS chart shows 34 out of the top 50 banks by asset size. Banks were excluded if unrealized losses not available, including SBNY. MMHC

Banking sector stress will likely lead to a further tightening in credit conditions

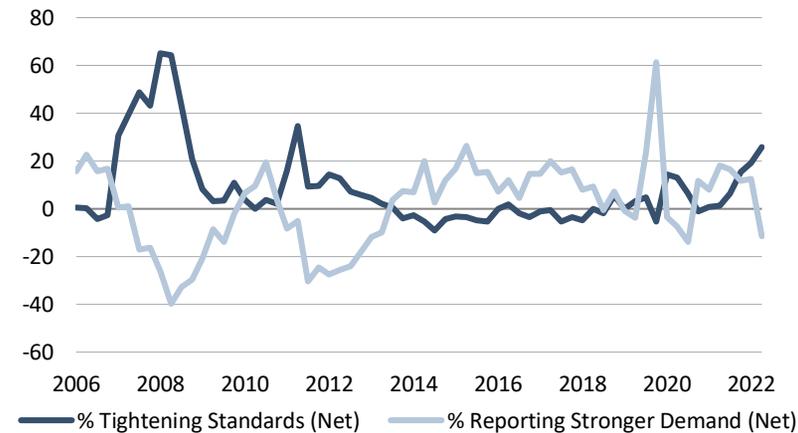
US BANK LENDING CONDITIONS

November 30, 2006 – February 28, 2023 • Percent (%)



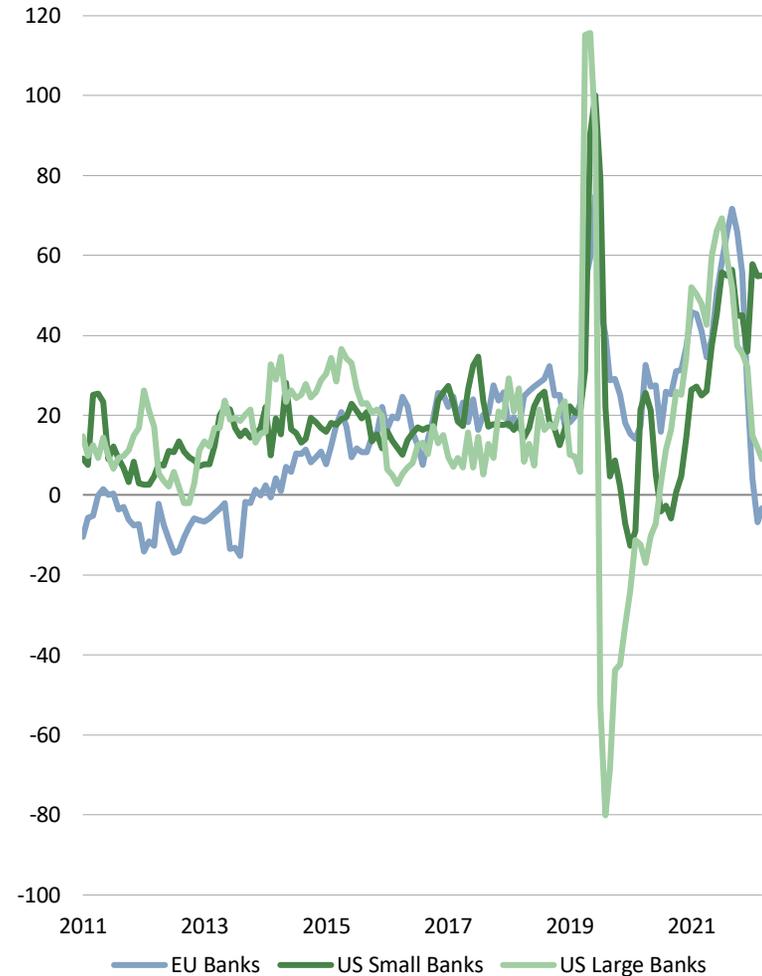
EU BANK LENDING CONDITIONS FOR BUSINESSES

November 30, 2006 – February 28, 2023 • Percent (%)



US AND EU BANKS LOAN GROWTH

December 31, 2011 – February 28, 2023 • 3-Month Moving Avg • USD Billions



Sources: European Central Bank, Federal Reserve, and Thomson Reuters Datastream.

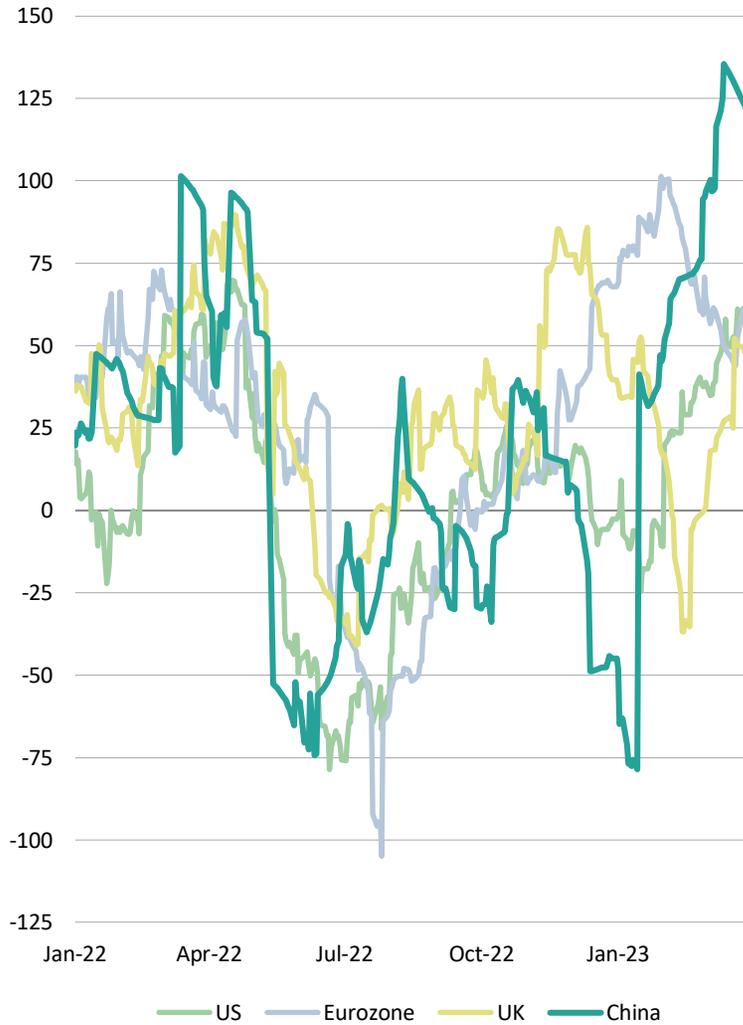
Notes: LHS Data are quarterly. US data include responses from domestic banks on households and firms as reported in the Fed's Senior Loan Officer Opinion Survey. EU data include responses from firms as reported in the Euro Area Bank Lending Survey. EU loan growth data are a combination of nonfinancial corporate loans, mortgages, and consumer loans.

MMHC

For now, though, economic activity has been resilient and inflation remains elevated

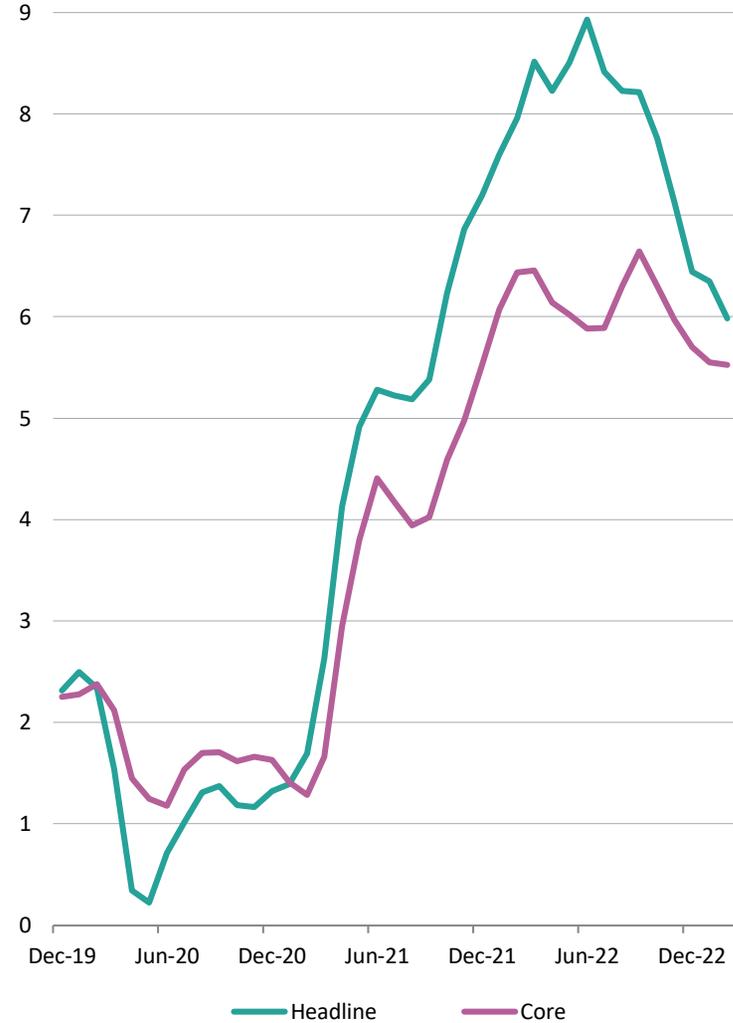
CITI ECONOMIC SURPRISE INDEX FOR VARIOUS REGIONS

January 1, 2022 – March 31, 2023



US HEADLINE AND CORE INFLATION

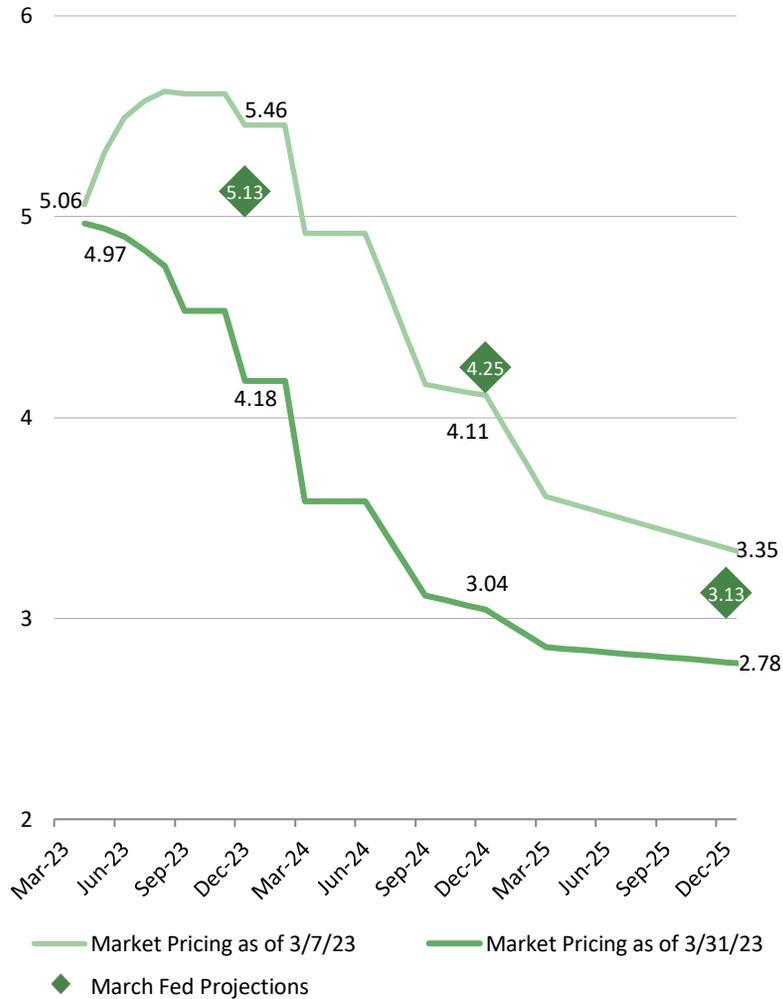
December 31, 2019 – February 28, 2023 • YOY Percentage Change (%)



Rates markets have priced in a greater risk of a recession, but the bar to cut rates remains high

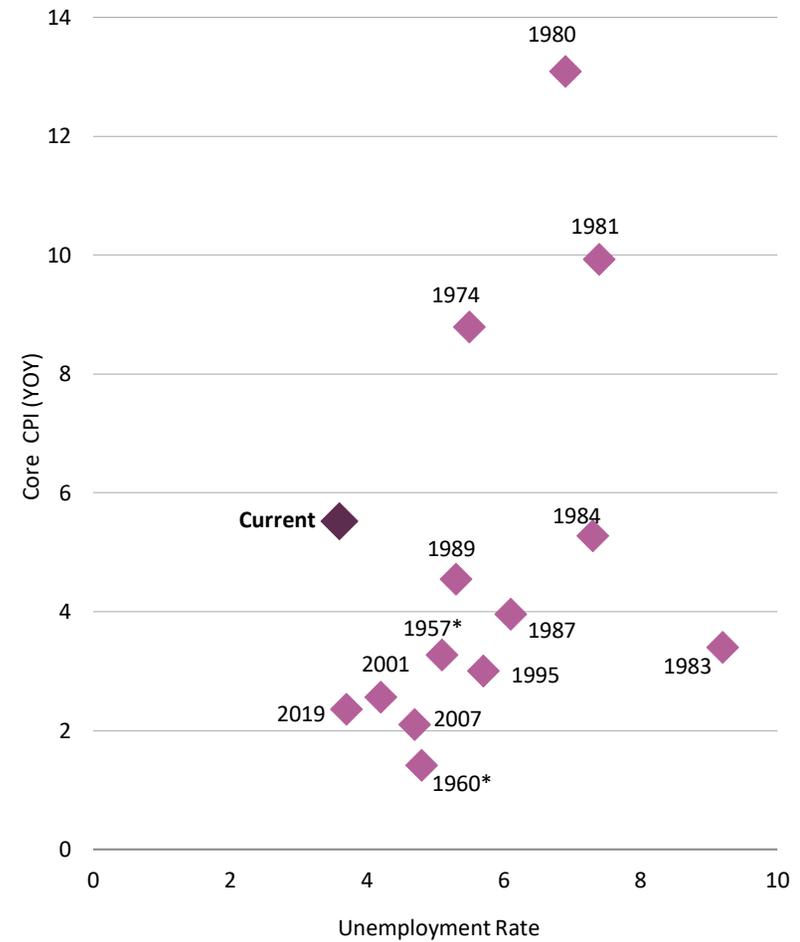
MARKET EXPECTATIONS FOR FED FUNDS RATE

As of March 31, 2023 • Percent (%)



CORE CPI AND UNEMPLOYMENT AT TIME OF FIRST FED CUT

As of March 31, 2023 • Percent (%)



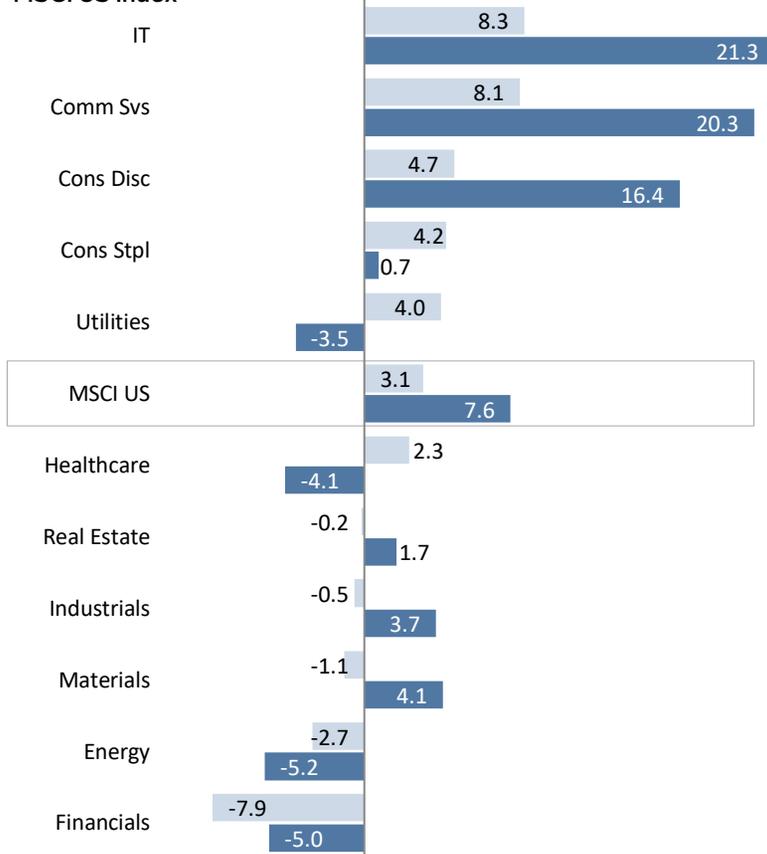
* Headline CPI was used for 1957 and 1960.

Financials have, naturally, lagged since banking turmoil, while growth sectors lead YTD

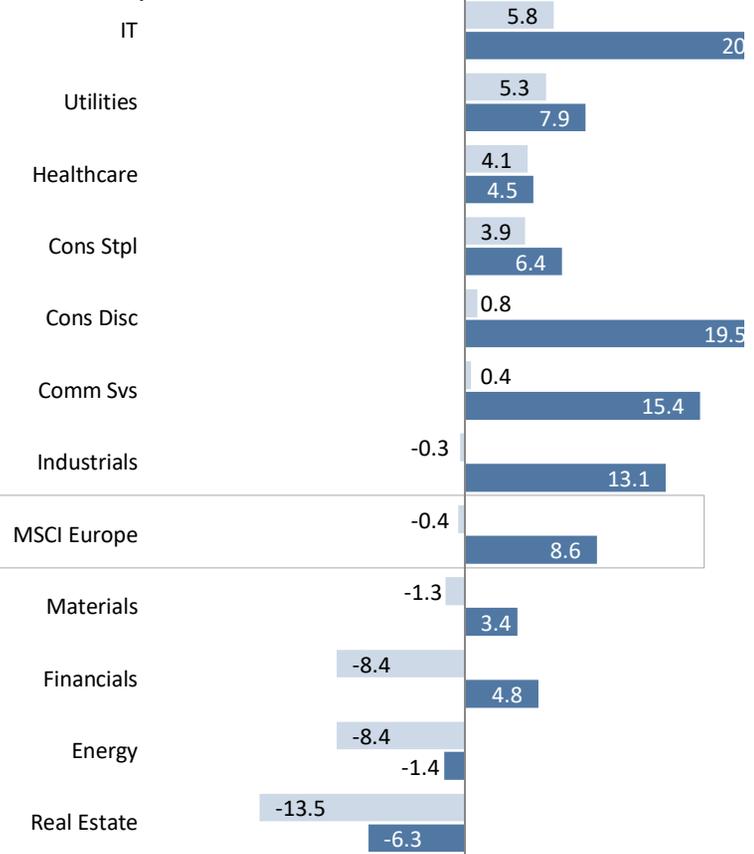
EQUITY INDEX SECTOR PERFORMANCE

As of March 31, 2023 • Local Currency • Percent (%)

MSCI US Index



MSCI Europe Index



■ Since March 7, 2023 ■ YTD

Relative performance of growth aided by falling yields; FAAMG stocks a headwind to small caps

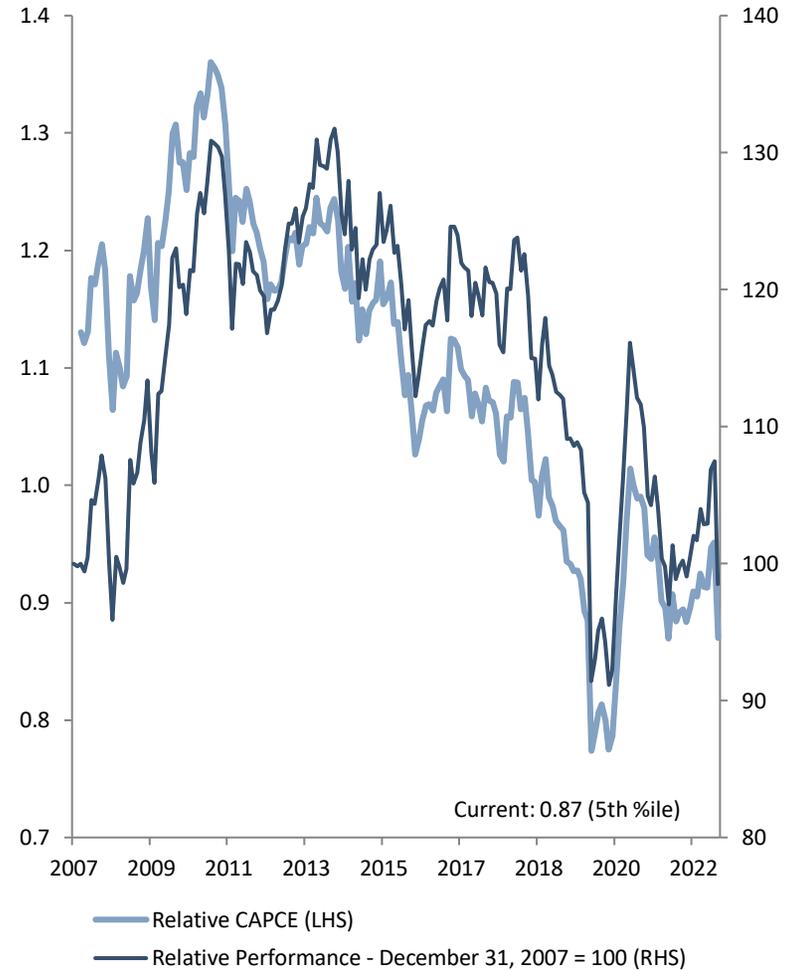
**RELATIVE CUMULATIVE PERFORMANCE & RELATIVE CAPCE RATIO:
MSCI WORLD VALUE VS MSCI WORLD GROWTH**

December 31, 2007 – March 31, 2023



**RELATIVE CUMULATIVE PERFORMANCE & RELATIVE CAPCE RATIO:
MSCI US SMALL VS MSCI US LARGE**

December 31, 2007 – March 31, 2023



The US and quality tend to be defensive during recessions relative to broad DM equities

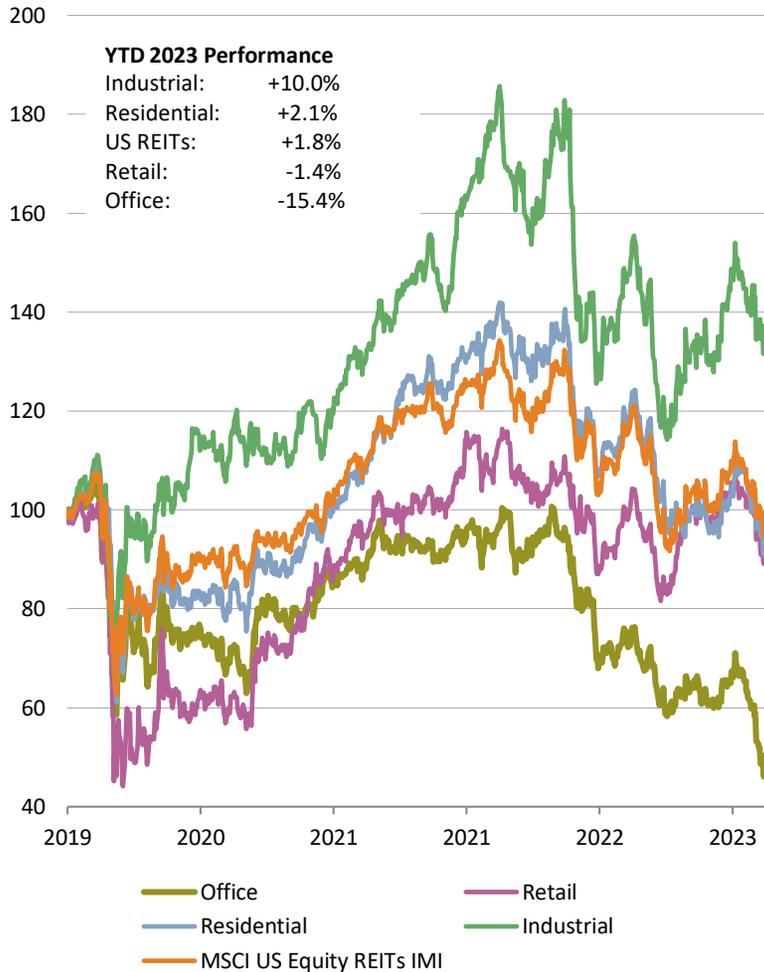
PERFORMANCE OF SELECTED INDEXES BY STAGE OF ECONOMIC CYCLE

	Start	End	MSCI World	MSCI World Value	MSCI World Growth	MSCI World Quality	MSCI World ex US	MSCI US	MSCI US Value	MSCI US Growth	MSCI US Quality
EARLY	Apr-75	Nov-76	8.0	15.4	1.6	-	-2.9	16.5	26.7	6.7	-
	Aug-80	Nov-80	13.1	8.9	16.3	19.4	9.4	16.9	11.9	22.1	23.5
	Dec-82	Jun-85	19.9	22.2	17.9	17.0	20.7	18.6	22.4	14.5	17.6
	Apr-91	Jul-94	9.3	11.9	6.8	6.7	9.1	9.4	11.6	7.3	5.7
	Dec-01	Dec-03	3.9	5.9	1.8	1.5	8.7	0.2	2.0	-1.7	-1.4
	Jul-09	Jan-13	14.0	13.6	14.5	15.9	10.9	17.2	16.5	17.8	17.4
	Average		11.4	13.0	9.8	12.1	9.3	13.1	15.2	11.1	12.5
MIDDLE	Dec-76	Jun-78	11.6	15.1	8.3	6.1	29.8	-0.4	2.9	-3.7	-1.1
	Dec-80	Mar-81	-0.9	3.9	-4.5	-8.3	0.2	-1.9	2.4	-5.9	-4.9
	Jul-85	Jan-88	32.5	34.5	31.5	18.9	47.6	15.0	14.6	15.2	18.0
	Aug-94	Nov-97	14.8	14.6	15.0	27.9	5.6	28.6	26.3	30.7	33.8
	Jan-04	Dec-05	12.6	14.7	10.5	9.3	17.9	8.2	10.2	6.1	6.3
	Feb-13	Aug-16	8.6	7.3	9.8	11.2	2.9	13.2	12.2	14.1	14.1
	Average		13.2	15.0	11.8	10.9	17.3	10.4	11.4	9.4	11.0
LATE	Jul-78	Jan-80	18.3	17.3	16.4	20.3	21.4	15.4	16.2	14.4	14.4
	Apr-81	Jul-81	-3.3	-0.4	-6.6	-3.4	-5.1	-1.6	0.7	-4.5	-1.4
	Feb-88	Jul-90	12.0	13.9	10.4	20.7	9.4	17.9	14.4	21.7	22.1
	Dec-97	Mar-01	5.7	7.4	3.0	8.9	4.4	7.1	7.0	5.6	10.1
	Jan-06	Dec-07	15.0	14.5	15.3	16.8	19.4	10.6	10.7	10.3	11.3
	Sep-16	Feb-20	9.1	5.6	12.4	12.7	5.3	11.5	6.8	16.1	14.9
	Average		9.5	9.7	8.5	12.7	9.1	10.1	9.3	10.6	11.9
RECESSION	Feb-80	Jul-80	8.6	9.5	7.2	10.9	8.5	8.7	11.2	6.4	8.9
	Aug-81	Nov-82	3.8	3.9	3.5	4.6	-4.6	11.1	9.9	12.2	9.5
	Aug-90	Mar-91	-2.0	-3.3	-0.5	6.1	-7.2	8.6	6.6	10.8	11.5
	Apr-01	Nov-01	-4.9	-7.0	-2.7	1.9	-9.0	-1.1	-6.0	4.3	4.4
	Jan-08	Jun-09	-26.0	-26.8	-25.2	-19.3	-27.0	-24.8	-26.9	-22.9	-16.7
	Mar-20	Apr-20	-3.6	-9.3	1.6	1.6	-8.0	-1.2	-6.7	3.8	2.0
	Average		-4.0	-5.5	-2.7	1.0	-7.9	0.2	-2.0	2.4	3.3

Office properties are the locus of concerns about commercial real estate

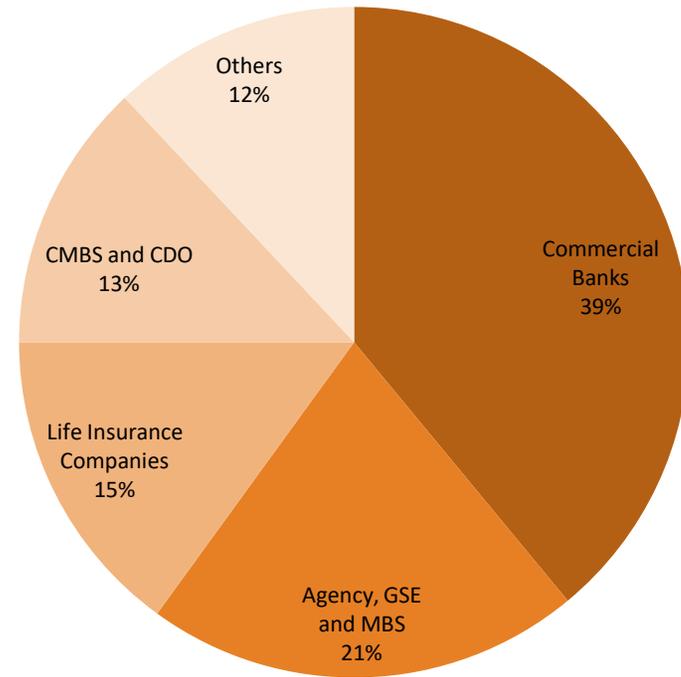
US REIT PERFORMANCE BY PROPERTY TYPE SINCE 2019

December 31, 2019 – March 31, 2023 • December 31, 2019 = 100



HOLDERS OF OUTSTANDING COMMERCIAL/MULTIFAMILY MORTGAGES

As of December 31, 2022

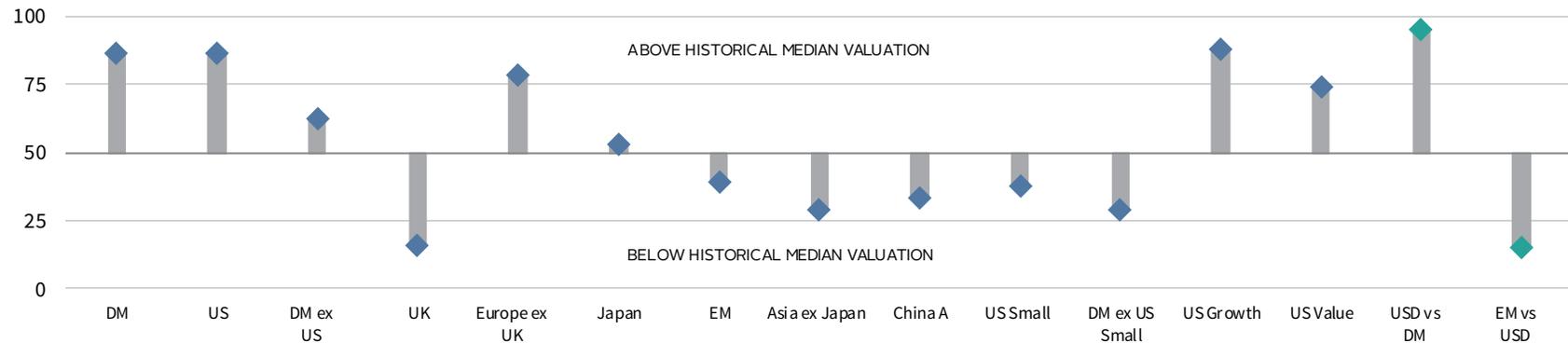


Cambridge Associates Current Valuations Summary

CURRENT VALUATION LEVELS OF VARIOUS ASSET CLASSES

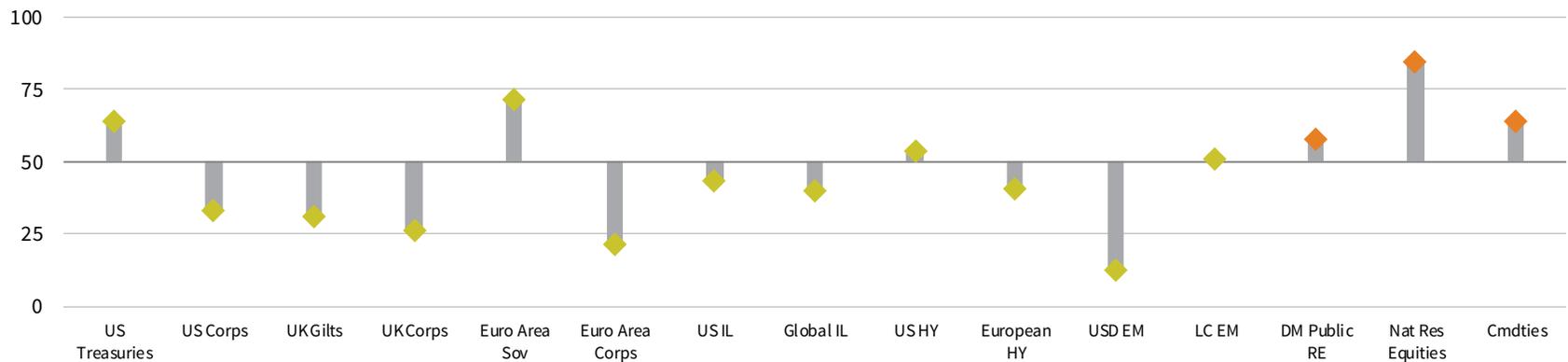
As of March 31, 2023 • Percentile

Equities



Currencies

Fixed Income



Real Assets

Source: Cambridge Associates LLC.

Notes: This exhibit compares current valuation levels to historical levels across a variety of asset classes. A percentile rank of 50 indicates that an asset class's current valuation level is consistent with its long-term median, while a percentile rank of 75 indicates that level is higher than 75% of historical data. The valuation level for each asset class is determined by a metric or composite of metrics relevant to that asset class.

PERFORMANCE REVIEW

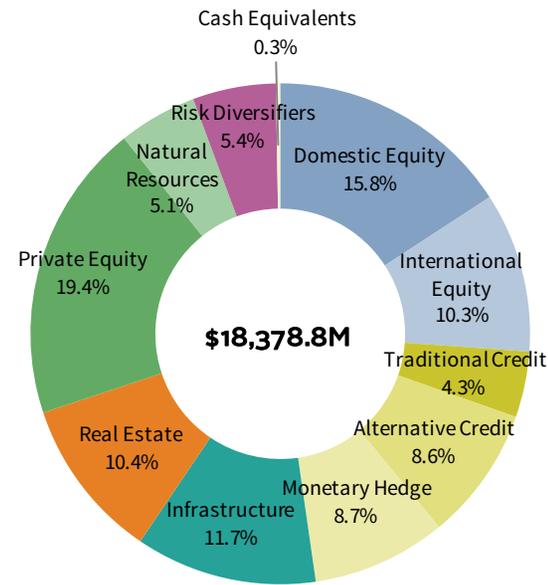


MainePERS Allocation Snapshot

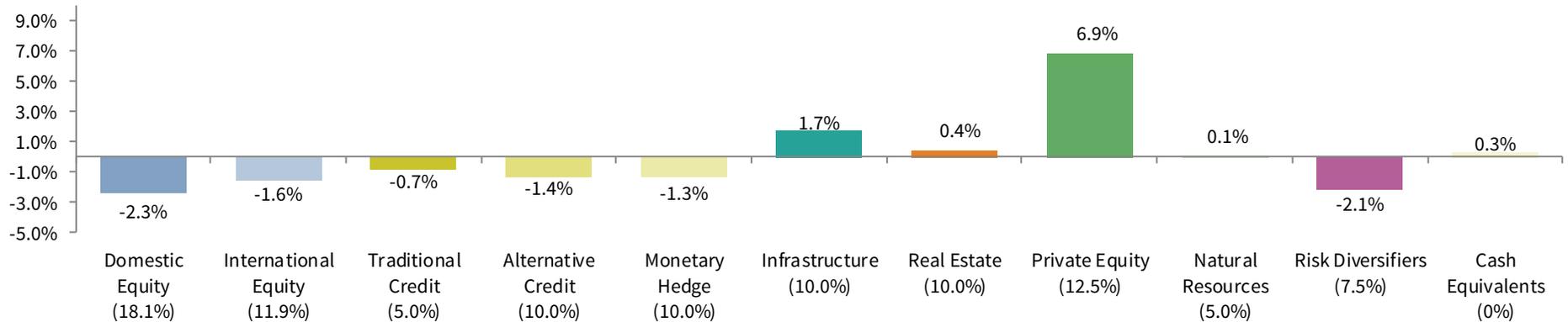
As of March 31, 2023

Asset Allocation (\$ Millions)

Asset Class	\$(M)	%
Domestic Equity	2,907.3	15.8%
International Equity	1,894.9	10.3%
Traditional Credit	782.6	4.3%
Alternative Credit	1,589.7	8.6%
Monetary Hedge	1,597.2	8.7%
Infrastructure	2,156.2	11.7%
Real Estate	1,917.3	10.4%
Private Equity	3,558.6	19.4%
Natural Resources	933.5	5.1%
Risk Diversifiers	989.8	5.4%
Cash Equivalents	51.5	0.3%
Total	\$18,378.8	100.0%



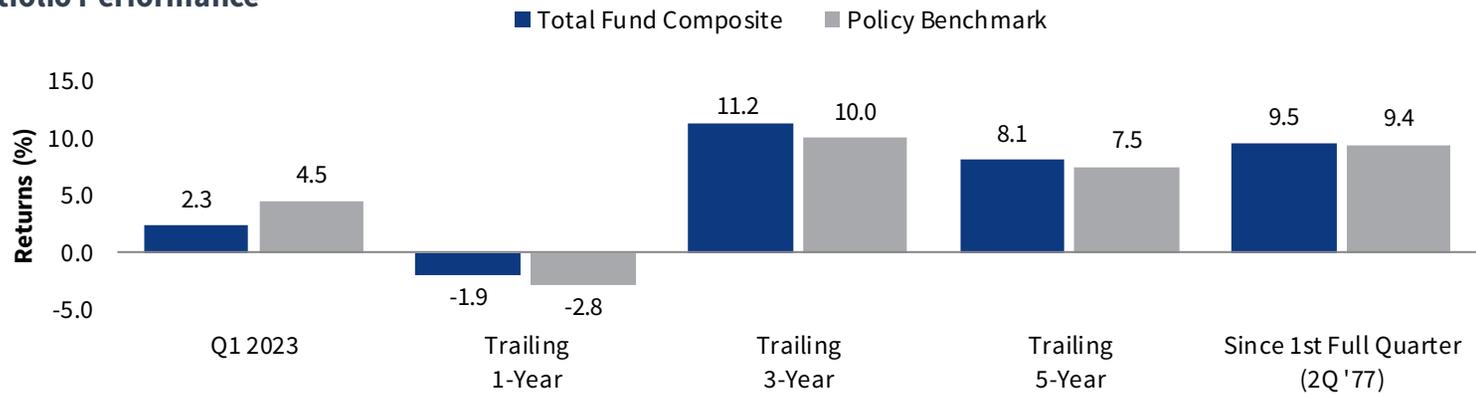
Relative Weights vs. Policy Targets



MainePERS Performance Summary

As of March 31, 2023

Total Portfolio Performance



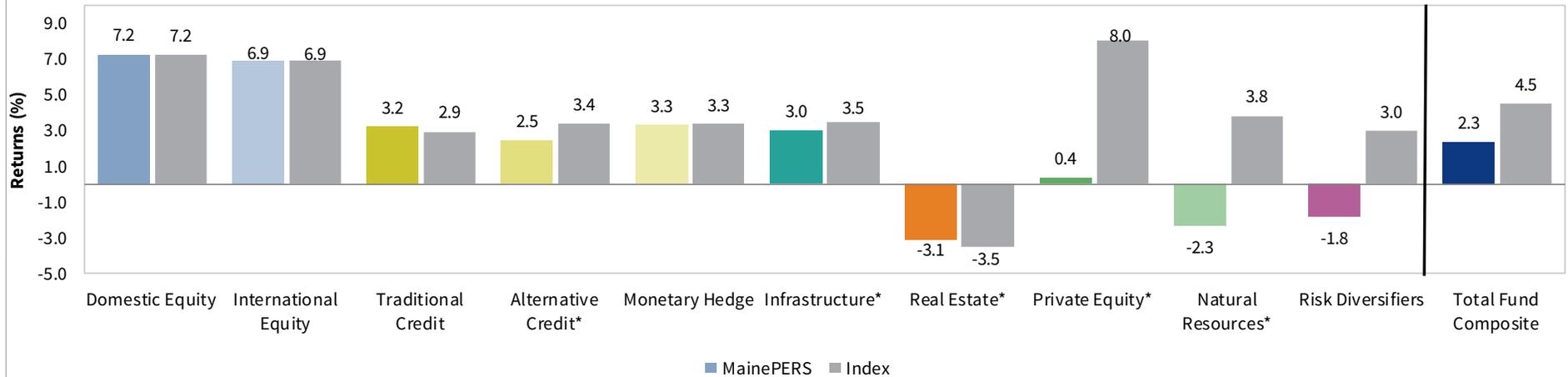
	Q1 2023	Trailing 1-Year	Trailing 3-Year	Trailing 5-Year	Since 1st Full Quarter (2Q '77)
Total Fund Composite	2.3	(1.9)	11.2	8.1	9.5
Policy Benchmark	4.5	(2.8)	10.0	7.5	9.4
<i>Value Added</i>	<i>(2.2)</i>	<i>0.9</i>	<i>1.2</i>	<i>0.6</i>	<i>0.1</i>

MainePERS Asset Class Performance

As of March 31, 2023

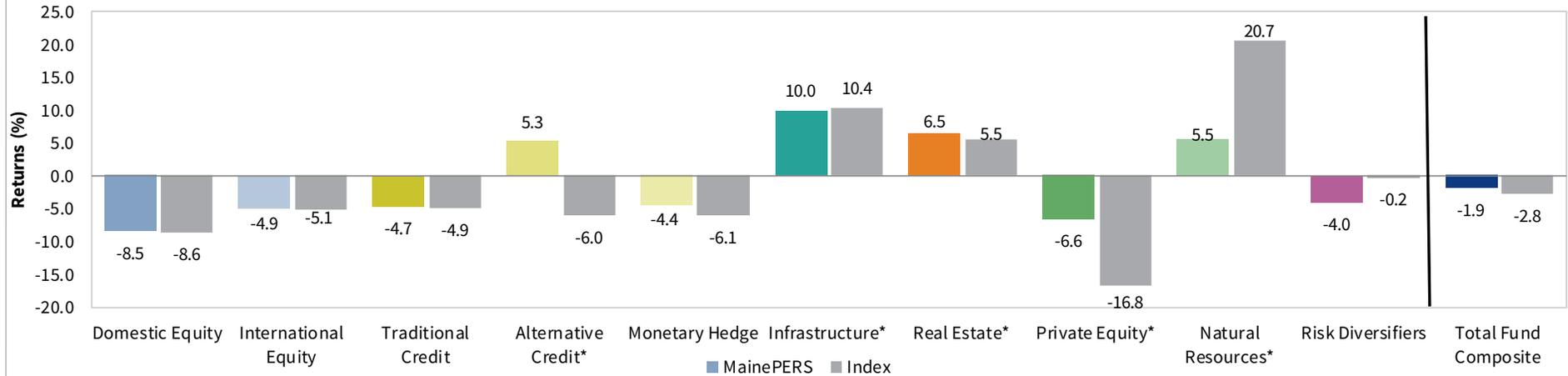
Quarter-to-Date

January 1, 2023 - March 31, 2023



Trailing 1-Year

April 1, 2022 - March 31, 2023



Notes: Asset class benchmarks (from left to right): Index returns for Infrastructure, Real Estate, and Natural Resources are reported on a quarterly basis. Returns reported by J.P. Morgan, except for Infrastructure and Real Estate indices, which are reported by Cambridge Associates on a quarter lag. Returns for CA Real Estate and Infrastructure indices are preliminary, and subject to adjustment. Performance for Risk Diversifiers is preliminary.
 *Performance is reported on a quarter lag, as December 31, 2022.

Asset Class Benchmarks

Asset Class	Benchmark	Long-Term Target
	Russell 3000 ¹	18.6%
	MSCI ACWI ex US ²	11.4%
Public Equity	Total Public Equity	30.0%
Private Equity	Russell 3000 + 3% per annum (1 qtr lag)	12.5%
Risk Diversifiers	0.3 Beta MSCI ACWI ³	7.5%
Real Estate	NCREIF Property (1 qtr lag)	10.0%
Infrastructure	Cambridge Associates Infrastructure Median (1 qtr lag)	10.0%
Natural Resources	Cambridge Associates Natural Resources Median (1 qtr lag)	5.0%
Traditional Credit	Bloomberg US Agg ex Treasury	5.0%
Alternative Credit	50% BAML US HY II + 50% S&P/LSTA US Leveraged Loan Index (1 qtr lag) ⁴	10.0%
US Govt Treasuries	Custom Fixed Income ⁵	10.0%
Total		100.0%

1. Russell 3000 weight is based upon the MSCI ACWI weighting for US

2. MSCI ACWI ex US weight is based upon the MSCI ACWI weighting for International

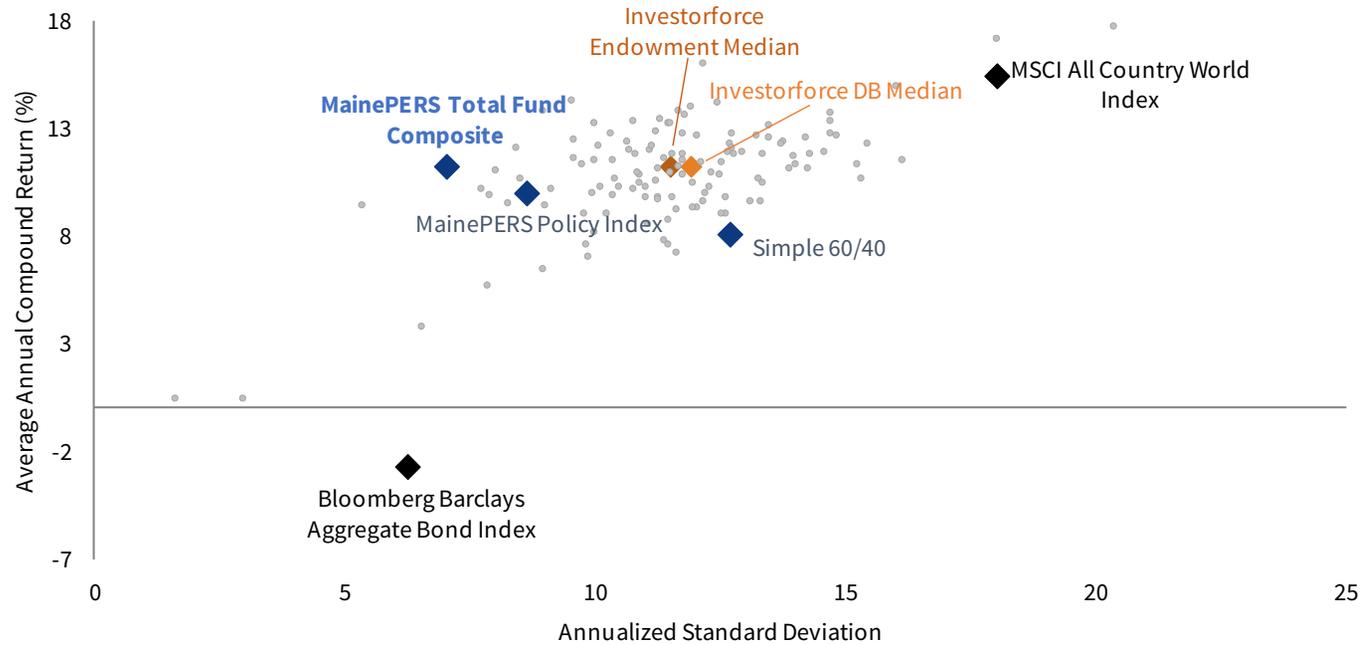
3. 91-day T-bill + 0.3(MSCI ACWI Return – 91-day T-bill)

4. 50% Bank of America US High Yield II + 50% S&P/Loan Syndications & Trading Association US Leveraged Loan Index

5. 65% 0-5 Year TIPS / 35% US TIPS Fund

MainePERS Risk/Return – 3 Years

As of March 31, 2023



	Average Annual Compound Return	Annualized Standard Deviation	Sharpe Ratio ¹	Beta vs. MSCI ACWI
MainePERS - Total Fund Composite	11.2	7.0	1.5	0.31
MainePERS - Policy Index	10.0	8.6	1.1	0.36
Simple 60/40	8.0	12.7	0.6	0.70
Investorforce Public DB Plan Median	11.2	11.9	0.9	---
Investorforce Endowment Median	11.2	11.5	0.9	---
Indices				
MSCI All Country World Index (Net)	15.4	18.0	0.8	--
Bloomberg Barclays Aggregate Bond Index	-2.8	6.3	-0.6	0.24



Note: Calculations are based on monthly data, net of fees.

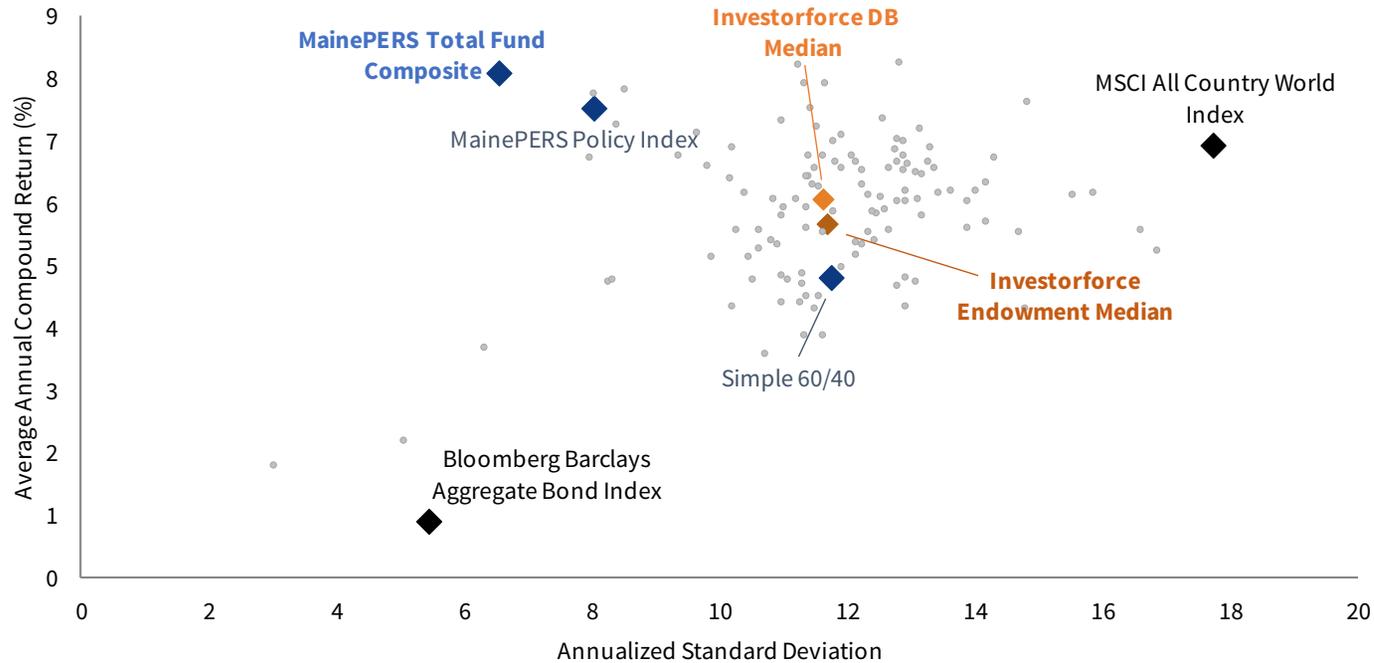
¹The Sharpe Ratio represents the excess return generated for each unit of risk. To calculate this number, subtract the average T-Bill return (risk-free return) from the manager's average return, then divide by the manager's standard deviation. The Investor Force data uses the median return and standard deviations are based on monthly data, net of fees.

² Simple 60/40 is 60% MSCI ACWI and 40% BBG Aggregate US Bond Index.

³ Net Investor Force Median data reflects median of 3-year returns and the standard deviations as reported by institutions with over \$100m in assets to Investor Force.

MainePERS Risk/Return – 5 Years

As of March 31, 2023



	Average Annual Compound Return	Annualized Standard Deviation	Sharpe Ratio ¹	Beta vs. MSCI ACWI
MainePERS - Total Fund Composite	8.1	6.5	1.0	0.31
MainePERS - Policy Index	7.5	8.0	0.8	0.37
Simple 60/40	4.8	11.7	0.3	0.65
Investorforce Public DB Plan Median	6.1	11.6	0.4	---
Investorforce Endowment Median	5.7	11.7	0.5	---
Indices				
MSCI All Country World Index (Net)	6.9	17.7	0.3	--
Bloomberg Barclays Aggregate Bond Index	0.9	5.5	-0.1	0.13



Note: Calculations are based on monthly data, net of fees.

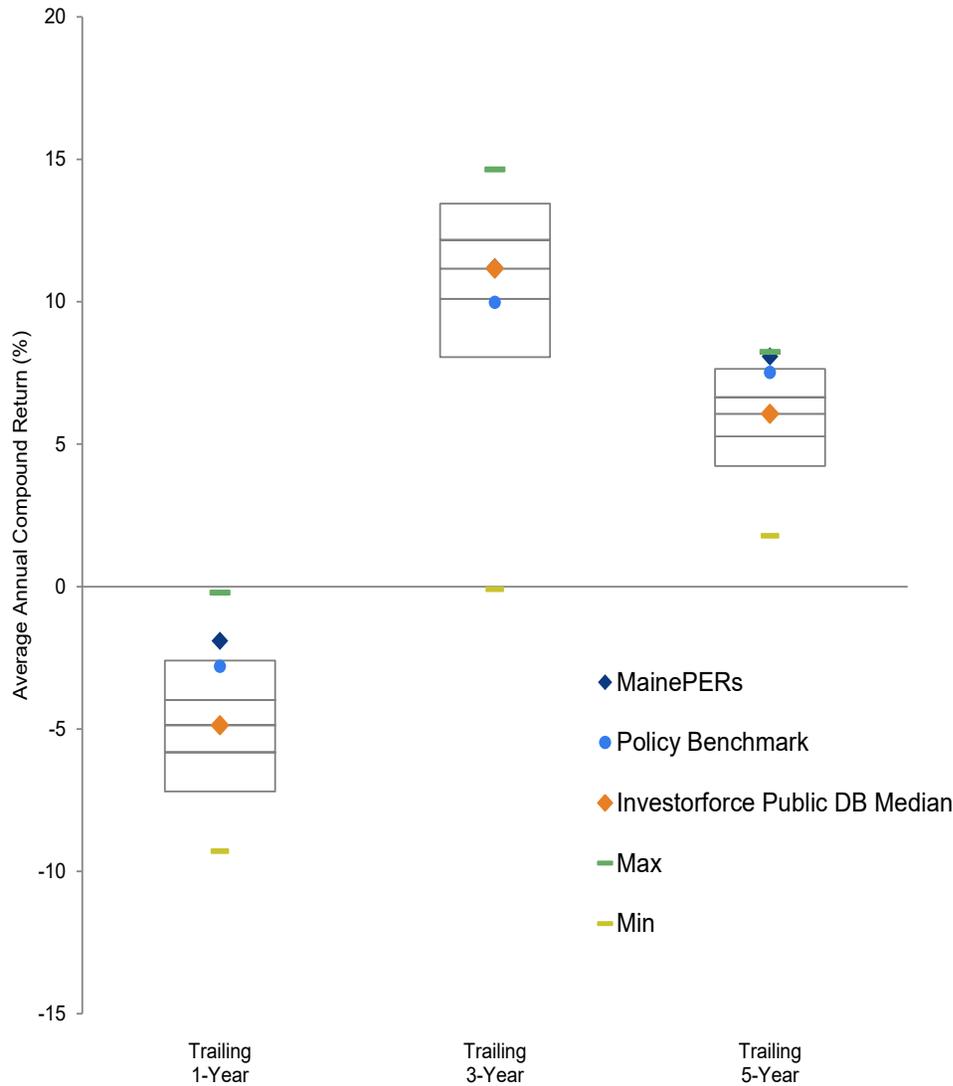
¹The Sharpe Ratio represents the excess return generated for each unit of risk. To calculate this number, subtract the average T-Bill return (risk-free return) from the manager's average return, then divide by the manager's standard deviation. The Investor Force data uses the median return and standard deviations are based on monthly data, net of fees.

² Simple 60/40 is 60% MSCI ACWI and 40% BBG Aggregate US Bond Index.

³ Net Investor Force Median data reflects median of 5-year returns and the standard deviations as reported by institutions with over \$100m in assets to Investor Force.

MainePERS vs. Defined Benefit Peers

As of March 31, 2023

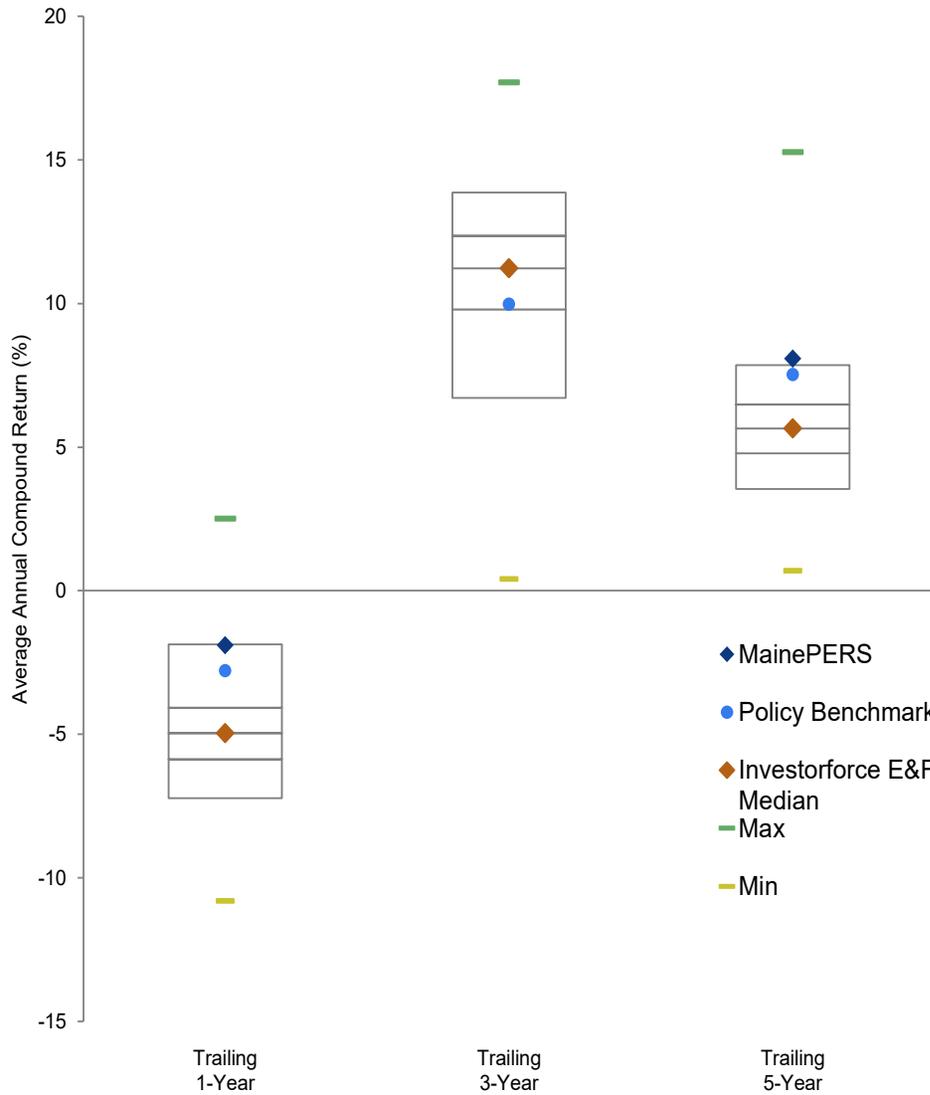


MainePERS			
Policy Benchmark			
Max			
5th Percentile			
25th Percentile			
Investorforce Public DB Median			
75th Percentile			
95th Percentile			
Min			
Sample Size			
<i>n</i>			

	<u>One Year</u>	<u>Three Year</u>	<u>Five Year</u>
MainePERS	-1.9	11.2	8.1
Policy Benchmark	-2.8	10.0	7.5
Max	-0.2	14.6	8.2
5th Percentile	-2.6	13.4	7.6
25th Percentile	-4.0	12.2	6.7
Investorforce Public DB Median	-4.9	11.2	6.1
75th Percentile	-5.8	10.1	5.3
95th Percentile	-7.2	8.1	4.2
Min	-9.3	-0.1	1.8
Sample Size			
<i>n</i>	120	119	117

MainePERS vs. E&F Peers

As of March 31, 2023



MainePERS	
Policy Benchmark	-2.8
Max	2.5
5th Percentile	-1.9
25th Percentile	-4.1
Investorforce E&F Median	-5.0
75th Percentile	-5.9
95th Percentile	-7.2
Min	-10.8
Sample Size	142
<i>n</i>	134

	One Year	Three Year	Five Year
MainePERS	-1.9	11.2	8.1
Policy Benchmark	-2.8	10.0	7.5
Max	2.5	17.7	15.3
5th Percentile	-1.9	13.9	7.9
25th Percentile	-4.1	12.4	6.5
Investorforce E&F Median	-5.0	11.2	5.7
75th Percentile	-5.9	9.8	4.8
95th Percentile	-7.2	6.7	3.5
Min	-10.8	0.4	0.7
Sample Size	142	134	129
<i>n</i>			



Copyright © 2023 by Cambridge Associates LLC. All rights reserved.

The information and material published in this report is nontransferable. Therefore, recipients may not disclose any information or material derived from this report to third parties or use information or material from this report without prior written authorization unless such use is in accordance with an agreement with Cambridge Associates (“CA”). Nothing contained in this document should be construed as the provision of tax, accounting, or legal advice. PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE PERFORMANCE. Broad-based securities indexes are unmanaged and are not subject to fees and expenses typically associated with managed accounts or investment funds. Investments cannot be made directly in an index. Any information provided in this document is as of the date of the document, and CA is under no obligation to update the information or communicate that any updates have been made.

The information contained herein represents CA's estimates of investment performance, portfolio positioning and manager information including but not limited to fees, liquidity, attribution and strategy and are prepared using information available at the time of production. Though CA makes reasonable efforts to discover inaccuracies in the data used in this report, CA cannot guarantee the accuracy and is ultimately not liable for inaccurate information provided by external sources. CA is under no obligation to update the information or communicate that any updates have been made. Clients should compare the investment values with the statements sent directly from their custodians, administrators or investment managers, and similarly, are ultimately responsible for ensuring that manager information and details are correct. Historical results can and likely will adjust over time as updated information is received. Estimated, preliminary, and/or proxy information may be displayed and can change with finalized information over time, and CA disclaims any obligation to update a previously provided report when such changes occur. Some of the data contained herein or on which the research is based is current public information that CA considers reliable, but CA does not represent it as accurate or complete, and it should not be relied on as such. This report is not intended as a Book of Record nor is it intended for valuation, reconciliation, accounting, auditing, or staff compensation purposes, and CA assumes no responsibility if the report is used in any of these ways.

The primary data source for information is the investment manager and/or fund administrator, therefore data may not match custodial or other client records due to differences in data sourcing, methodology, valuation practices, etc. Estimated values may include prior quarter end data adjusted by a proxy benchmark or by subsequent cash flows. In some instances, data may be sourced directly from a client and/or prior advisors or service providers. CA makes no representations that data reported by unaffiliated parties is accurate, and the information contained herein is not reconciled with manager, custodian, and/or client records. There are multiple methodologies available for use in the calculation of portfolio performance, and each may yield different results. Differences in both data inputs and calculation methodologies can lead to different calculation results. Expected return, efficient frontier analysis and methodology may include equilibrium asset class assumptions derived from CA's Capital Markets Group, and such assumptions are available upon request.

The terms “CA” or “Cambridge Associates” may refer to any one or more CA entity including: Cambridge Associates, LLC (a registered investment adviser with the US Securities and Exchange Commission, a Commodity Trading Adviser registered with the US Commodity Futures Trading Commission and National Futures Association, and a Massachusetts limited liability company with offices in Arlington, VA; Boston, MA; Dallas, TX; Menlo Park, CA, New York, NY; and San Francisco, CA), Cambridge Associates Limited (a registered limited company in England and Wales, No. 06135829, that is authorized and regulated by the UK Financial Conduct Authority in the conduct of Investment Business, reference number: 474331); Cambridge Associates GmbH (authorized and regulated by the Bundesanstalt für Finanzdienstleistungsaufsicht (“BaFin”), Identification Number: 155510), Cambridge Associates Asia Pte Ltd (a Singapore corporation, registration No. 200101063G, which holds a Capital Market Services License to conduct Fund Management for Accredited and/or Institutional Investors only by the Monetary Authority of Singapore), Cambridge Associates Limited, LLC (a registered investment adviser with the US Securities and Exchange Commission, an Exempt Market Dealer and Portfolio Manager in the Canadian provinces of Alberta, British Columbia, Manitoba, Newfoundland and Labrador, Nova Scotia, Ontario, Québec, and Saskatchewan, and a Massachusetts limited liability company with a branch office in Sydney, Australia, ARBN 109 366 654), Cambridge Associates Investment Consultancy (Beijing) Ltd (a wholly owned subsidiary of Cambridge Associates, LLC which is registered with the Beijing Administration for Industry and Commerce, registration No. 110000450174972), and Cambridge Associates (Hong Kong) Private Limited (a Hong Kong Private Limited Company licensed by the Securities and Futures Commission of Hong Kong to conduct the regulated activity of advising on securities to professional investors).

MAINEPERS

BOARD MEMORANDUM

TO: BOARD OF TRUSTEES
FROM: SHERRY VANDRELL, CHIEF FINANCIAL OFFICER
SUBJECT: FY24 RECOMMENDED OPERATING BUDGET – ADMINISTRATION AND INVESTMENTS OPERATIONS
DATE: MAY 3, 2023

We presented two proposed budgets for FY24 to members of the Finance and Audit Committee in April, one for general administration and one for investment operations. Those drafts have been revised during the last several weeks as new information has become available and those revised proposed budgets will be presented to the Finance and Audit Committee at the May 11, 2023 meeting.

POLICY REFERENCE

[Board Policy 1.6 – Finance and Audit Committee of the Board](#)

[Board Policy 5.4 – Budgeting, Spending, and Reporting](#)

FY24 RECOMMENDED BUDGETS – ADMINISTRATION AND INVESTMENT OPERATIONS

We present proposed budgets to the Finance and Audit Committee in April each year to provide members of the Committee as much time as needed to review the documents and ask questions prior to recommending them to the full Board of Trustees for approval. After the April meeting, we completed additional internal review and made additional changes to the proposed budgets based on our discussions with members of the Board at the April board meeting.

The Finance and Audit Committee has the option of recommending the proposed budgets to the Board of Trustees at either the May or June board meetings. We have attached the budget information that is being presented to the Finance and Audit Committee at their May 11th meeting so that all Trustees may have the opportunity to review the draft budgets ahead of the May 11th Board meeting and ask any questions you may have.

RECOMMENDATION

No action is required at this time.

OR

Approve the FY24 Recommended Operating Budget in the amount of \$19,170,306 and the Recommended Investment Operations Budget in the amount of \$6,669,040 as presented.

**Maine Public Employees Retirement System
Proposed Administrative Expenses Budget
For the Fiscal Year Ended June 30, 2024**

	FY 23 Budgeted	FY23 Expected	FY 24 Budgeted	FY 24 Budget vs. FY23 Expected	FY 24 Budget vs. FY 23 Budget	FY 24 Budget vs. FY 23 Budget
Personnel Services						
Salaries & Wages						
Salaries and Wages	\$ 7,596,417	\$ 7,246,210	\$ 8,444,202	\$ 1,197,992	\$ 847,785	11.2%
Overtime Wages	-	68,308	-	(68,308)	-	
Total Salaries & Wages	7,596,417	7,314,518	8,444,202	1,129,684	847,785	11.2%
Benefits						
Health Insurance	\$ 1,424,464	1,198,188	\$ 1,962,889	764,701	538,425	37.8%
MainePERS Retirement Contributions	987,280	971,054	1,080,286	109,232	93,006	9.4%
Retiree Health Insurance Reserve	8,868	8,868	9,143	275	275	3.1%
Other Insurance and Benefits	28,000	8,060	28,000	19,940	-	0.0%
Total Benefits	2,448,612	2,186,170	3,080,318	894,148	631,706	25.8%
Total Personnel Services	10,045,029	9,500,688	11,524,520	2,023,832	1,479,491	14.7%
Operating Expenses						
Computer Equipment, Supplies and Supports	2,932,249	2,890,830	3,017,266	126,436	85,017	2.9%
Medical Consultation Services	244,500	256,369	244,500	(11,869)	-	0.0%
Training, Continuing Education and Tuition	84,560	85,662	89,760	4,098	5,200	6.1%
Travel	62,005	51,960	61,505	9,545	(500)	-0.8%
Depreciation	927,876	798,641	578,836	(219,805)	(349,041)	-37.6%
Professional Services						
Actuarial Services	378,000	348,461	423,720	75,259	45,720	12.1%
Audit Services	99,000	114,337	120,500	6,163	21,500	21.7%
Legal Services	192,000	188,784	197,000	8,216	5,000	2.6%
Hearing Officers Services	35,500	27,000	35,500	8,500	-	0.0%
Miscellaneous Professional Services	935,873	740,447	678,178	(62,269)	(257,695)	-27.5%
Total Professional Services	1,640,373	1,419,029	1,454,898	35,869	(185,475)	-11.3%
Other Operating Expenses						
Buildings and Operations	411,764	511,690	579,227	67,537	167,463	40.7%
Capital Lease Expense	545,859	545,758	552,714	6,956	6,854	1.3%
Insurance	95,007	121,908	109,807	(12,101)	14,800	15.6%
Printing and Publications	140,658	174,463	205,766	31,303	65,108	46.3%
Postage	255,700	297,624	359,100	61,476	103,400	40.4%
Telephone	146,916	145,294	147,978	2,684	1,062	0.7%
Other	223,033	209,417	244,430	35,013	21,397	9.6%
Total Other Operating Expenses	1,818,938	2,006,154	2,199,021	192,867	380,084	20.9%
Total Operating Expenses	7,710,501	7,508,645	7,645,786	137,141	(64,715)	-0.8%
Total Administrative Expenses	\$ 17,755,530	\$ 17,009,333	\$ 19,170,306	\$ 2,160,973	\$ 1,414,776	8.0%

Maine Public Employees Retirement System
Proposed Investment Operations Expenses Budget
For the Fiscal Year Ended June 30, 2024

	FY 23 Budgeted	FY23 Expected	FY 24 Budgeted	FY 24 Budget vs. FY23 Expected	FY 24 Budget vs. FY 23 Budget	FY 24 Budget vs. FY 23 Budget
Personnel Services						
Salaries & Wages						
Salaries and Wages	\$ 2,142,873	\$ 1,952,666	\$ 2,118,198	\$ 165,533	\$ (24,674)	-1.2%
Overtime Wages	-	-	-	-	-	
Total Salaries & Wages	2,142,873	1,952,666	2,118,198	165,533	(24,674)	-1.2%
Benefits						
Health Insurance	\$ 213,691	189,804	\$ 287,524	97,719	73,833	34.6%
MainePERS Retirement Contributions	347,463	316,438	348,319	31,882	856	0.2%
Retiree Health Insurance Reserve	-	-	2,286	2,286	2,286	
Total Benefits	561,154	506,242	638,129	131,887	76,975	13.7%
Total Personnel Services	2,704,027	2,458,908	2,756,327	297,419	52,300	1.9%
Operating Expenses						
Computer Equipment, Supplies and Supports	134,491	138,397	167,870	29,473	33,379	24.8%
Training, Continuing Education and Tuition	6,500	12,486	26,200	13,714	19,700	303.1%
Travel	63,000	59,897	78,300	18,403	15,300	24.3%
Depreciation	3,840	3,840	1,920	(1,920)	(1,920)	-50.0%
Professional Services						
Audit Services	54,000	60,750	65,500	4,750	11,500	21.3%
Legal Services	1,018,500	770,390	1,140,000	369,610	121,500	11.9%
Investment Consulting	1,120,000	1,205,940	1,215,000	9,060	95,000	8.5%
Proxy Voting Services	24,037	24,037	24,037	-	-	0.0%
Custody Services	675,000	675,000	720,000	45,000	45,000	6.7%
Other Professional Services	202,500	77,616	107,000	29,384	(95,500)	-47.2%
Total Professional Services	3,094,037	2,813,733	3,271,537	457,804	177,500	5.7%
Other Operating Expenses						
Buildings and Operations	127,668	131,679	132,110	431	4,442	3.5%
Capital Lease Expense	150,782	150,790	150,782	(8)	-	0.0%
Insurance	340	337	9,205	8,868	8,865	2607.4%
Postage	540	556	540	(16)	-	0.0%
Telephone	42,300	41,658	42,210	552	(90)	-0.2%
Other	44,462	39,970	32,038	(7,932)	(12,424)	-27.9%
Total Other Operating Expenses	366,092	365,170	366,885	1,716	793	0.2%
Transfers to Reserves - MePERS	-	-	-	-	-	
Total Operating Expenses	3,667,960	3,393,523	3,912,713	519,190	244,752	6.7%
Total Investment Operations Expenses	\$ 6,371,987	\$ 5,852,430	\$ 6,669,040	\$ 816,609	\$ 297,053	4.7%

MAINEPERS

BOARD OF TRUSTEES MEMORANDUM

TO: BOARD MEMBERS

FROM: MICHAEL J. COLLERAN, CHIEF OPERATING OFFICER & GENERAL COUNSEL
CHIP GAVIN, CHIEF SERVICES OFFICER
SHERRY VANDRELL, CHIEF FINANCIAL OFFICER

SUBJECT: MEMBER SERVICES, FINANCE, AND OPERATIONS REPORT

DATE: MAY 3, 2023

Content in the following paragraphs was selected to provide noteworthy information regarding the System's member services, finance, and operations.

POLICY REFERENCE

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

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

MEMBER SERVICES

1. CUSTOMARY SERVICES DATA: The customary data about routine member services are attached to this report. Two new graphs presented in today's meeting will be incorporated into this monthly data report to reflect ongoing tracking of Service Retirement Estimates and Preliminary-to-Final Benefit processing in the context of Focus Fridays.
2. FOCUS FRIDAYS: The Focus Friday effort to allow dedicated time for processing of member service requests began April 7 and has demonstrated marked progress on the pending queue of service retirement estimates. In combination with associated efforts, the Focus Friday is experiencing some initial success in reducing pending queues.
3. MEMBER PORTAL: Creation of a secure Member Portal to provide online access to members of their own account information is a key objective under the Strategic Plan Goal IV: Cultivation of a Member-centric Organization. The project is underway. Initial hands-on testing of a beta portal has started and work is ongoing toward a fall 2023 launch.
4. STATE/TEACHER COLA: The one-time 1% COLA for State and Teacher plan retirees included in the State supplemental budget for Fiscal Year 2023 was implemented for the April 2023 payroll. The additional 1.0% applied to retirement benefit payments (up to a maximum of \$24,186.25) for the one-year period ending August 31, 2022. Approximately 35,750 individuals will be receiving a disbursement. Pro-active outreach occurred and communication is ongoing.

5. ONLINE BENEFIT ESTIMATOR: The new online benefit estimator previously discussed with Trustees continues to grow in visitation. The Estimator has now received more than 3,500 total page views in its first three months of operation.
6. MEMBER EDUCATION: A new introductory member education session tailored to new and mid-career members in the Teacher Plan launched April 20. Participation in the inaugural event was modest (6 persons) but feedback was positive. Participants reported finding the content “very helpful.” These sessions are planned to be continued and to expand to state plan members next as part of the Strategic Plan goal regarding member education.
7. RMD EFFORTS: Review of over 700 member records resulted in nearly 400 on-time RMD payments and 33 members being deemed lost. Lump sum disbursements were made to 284 individual, monthly benefits commenced for 104 and active employment status confirmed for 245 members.
8. GROUP LIFE INSURANCE: MainePERS is currently soliciting competitive proposals to serve as the third party administrator of its group life insurance program. Evaluation of proposals received has started.
9. PENSION ADMINISTRATION SOFTWARE: The project to review and replace or upgrade the current line of business software used by MainePERS is ongoing. Responses have been received to solicitations for advisory services and for preliminary information from potential solution providers. The proposals for advisory services are being evaluated in anticipation of an award. Those services are preparatory to and are intended to help inform the issuance of a planned core Request for Proposals solicitation for an actual Pension Administration Software Solution.

FINANCE

1. EMPLOYER REPORTING. Employers submitted defined benefit payrolls on time at a 91% rate in April, slightly above the fiscal year to date monthly average of 89.1% but well below last April’s 96%. The Employer Reporting unit continues to make progress in reducing an account reconciliation backlog. As of this report 426 accounts are fully-reconciled through the February payroll data. This is an increase of 2.9% over last month’s report.
2. EMPLOYER AUDITING. One audits was opened in April, and two were completed. Both of the completed audits revealed contribution errors that staff are working to resolve with the employers. Ninety-four percent of all findings to date have been resolved satisfactorily. This is an increase from the eighty percent reported last month.

OPERATIONS

1. HUMAN RESOURCES. We will hold our annual open enrollment on health insurance and related benefits May 10 through 24th. We have initiated “wage reopener” negotiations with our three bargaining units on compensation for the third year of our contracts.
2. FACILITIES. This week we are conducting voluntary training on use of our automated external defibrillator devices. Approximately 70 employees have signed up for the training. We have safety training scheduled for our safety marshals later this month and plan to conduct fire drills over the next two months.

3. BUSINESS CONTINUITY. A tabletop exercise of the business continuity plan for our reception unit is planned for this month.
4. DOCUMENT CENTER. We successfully processed approximately 36,000 advices of deposit in connection with the supplemental COLA distribution.
5. IT EQUIPMENT. We are offering a second monitor to our employees who are equipped to work remotely to improve efficiency. On-site workstations all have two monitors, but we previously have only provided one monitor for remote work.
6. IT SECURITY. We have completed our annual assessment by CBIZ Risk & Advisory Services of our compliance with the National Institute of Standards and Technology (NIST) Cybersecurity Framework. CBIZ summarized its results as follow:

The results from our assessment found that MainePERS is proficient in developing policies that incorporate industry best practices and define IT and security requirements across the MainePERS organization. MainePERS has been proactive in implementing new technologies such as CrowdStrike and LogRhythm to increase the layers of defense and the ability to detect events.

CBIZ made five findings concerning our policies, account management, and firewall settings. We have resolved two of the findings, and we expect to resolve a third later this month and the final two in June.

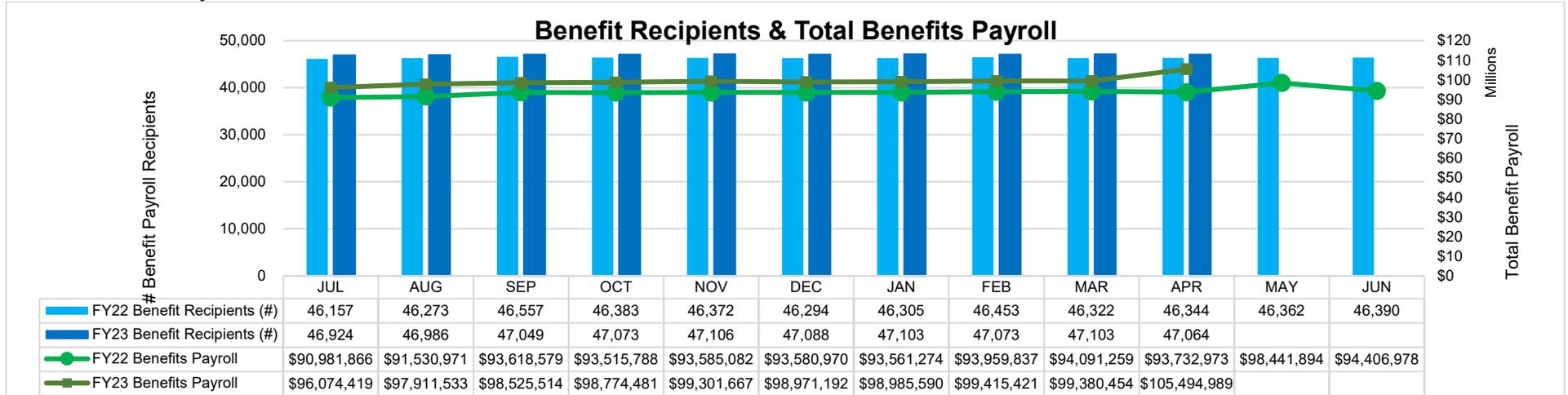
RECOMMENDATION

No Board action is recommended at this time.

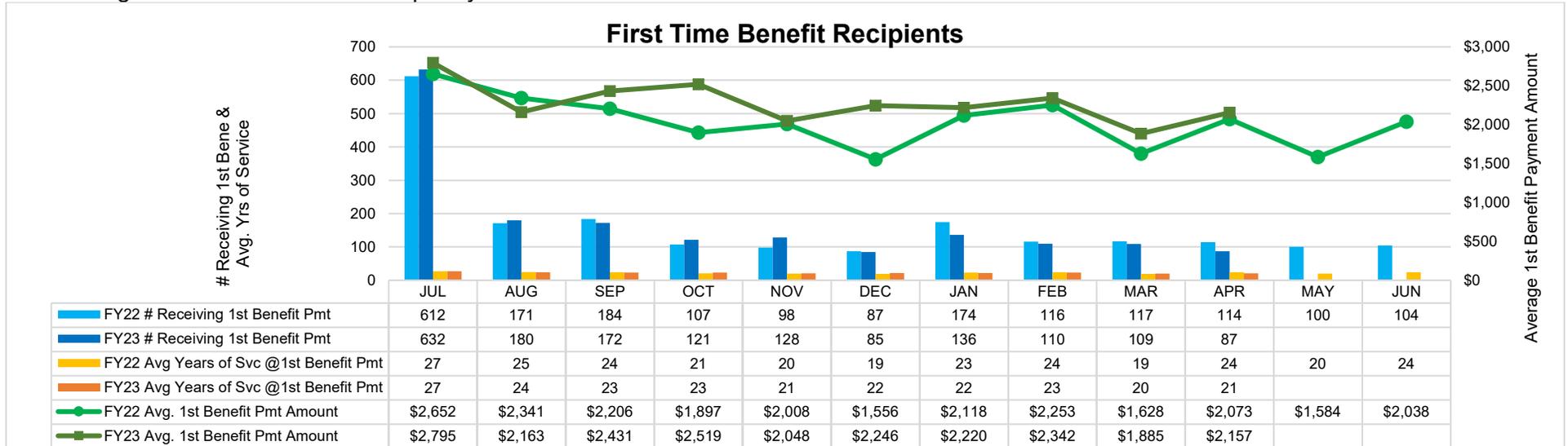
MAY 2023 BOARD OF TRUSTEES OPERATIONS - SERVICE PROGRAMS SUPPLEMENTAL NUMBERS

RETIREMENT SERVICES

BENEFITS PAYROLL. Regular monthly pension benefit payments were made to 47,064 recipients in April, totaling \$105,494,989. The \$6.1M payroll increase reflects the one-time State plan retro COLA disbursement. *Note: Special payments paid outside of the regular payroll run are not reflected in the "Benefits Payroll" total.*



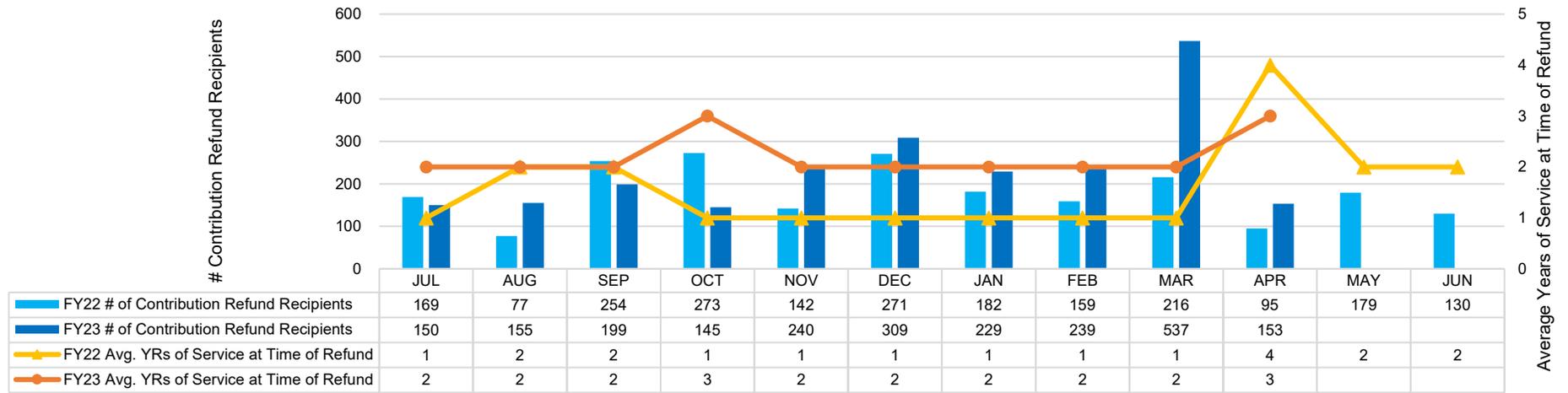
FIRST TIME BENEFIT RECIPIENTS. Eighty-seven (87) individuals received their first benefit payment in April. The average benefit amount was \$2,073. First time recipients averaged twenty-one (21) years of service. The count of new recipients, payment amount, and service are comparable to data seen during the same month in recent prior years.



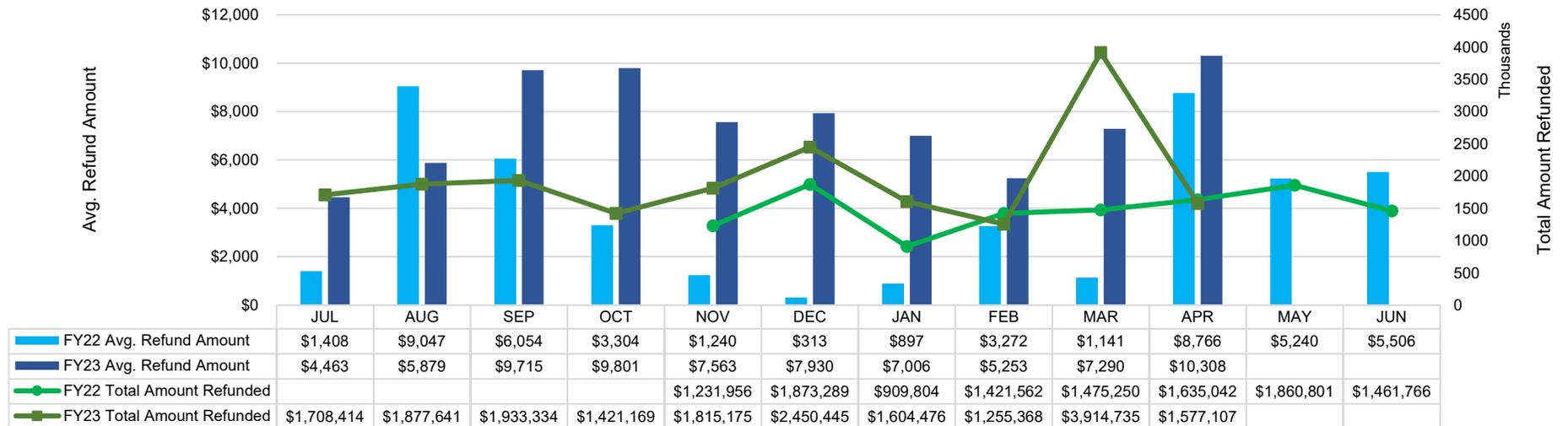
RETIREMENT SERVICES: Continued

CONTRIBUTION REFUND ISSUES: One-hundred-fifty-three (153) former members received a refund of their contributions in April. The average refund was \$10,308 as the result of an average three (3) years of service. The aggregate amount refunded was \$1,577,107.

Contribution Refunds Issued: Total Number & Avg. Yrs of Service



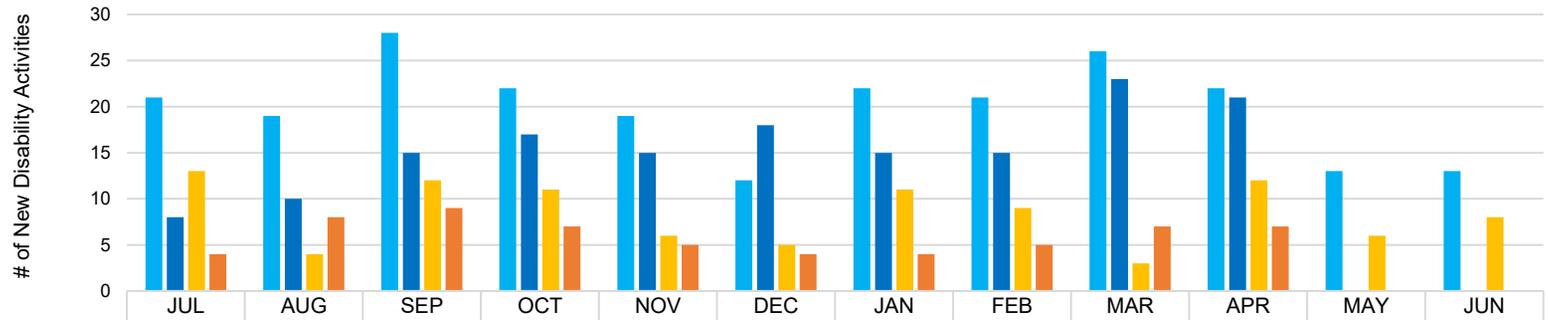
Contribution Refund Average Amount and Total Amount Refunded



DISABILITY SERVICES

Twenty-one (21) intake interviews were completed in April with varying levels of detail and duration. Intakes included twelve (12) State members, six (6) Teacher and two (2) PLD members and one (1) other. Seven (7) new disability retirement applications were received in April.

Disability Applications and Intakes

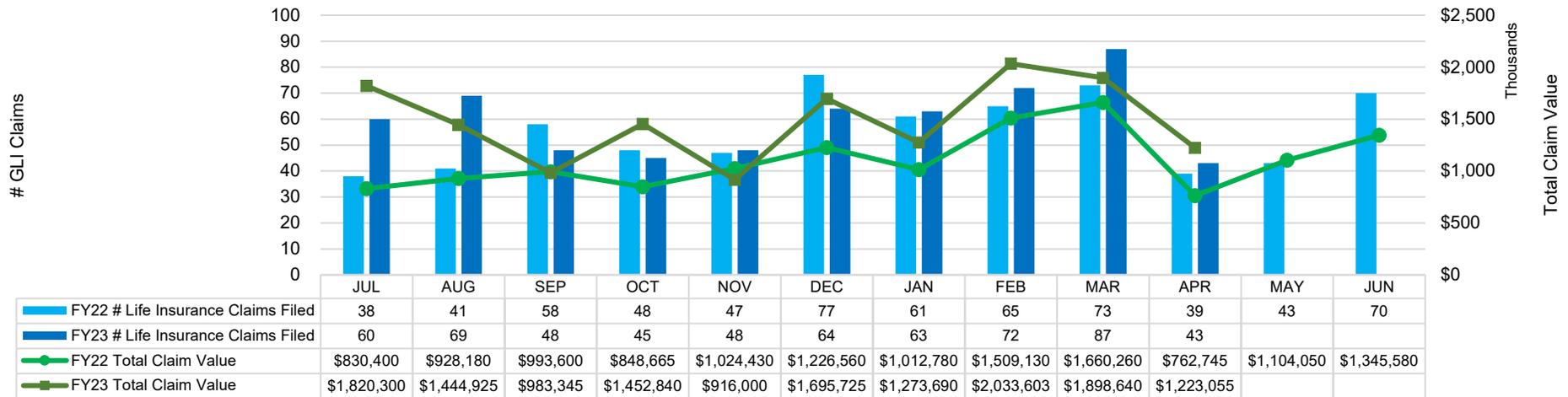


	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
FY22 # Disability Intake Interviews	21	19	28	22	19	12	22	21	26	22	13	13
FY23 # Disability Intake Interviews	8	10	15	17	15	18	15	15	23	21		
FY22 # Disability Retirement Applications	13	4	12	11	6	5	11	9	3	12	6	8
FY23 # Disability Retirement Applications	4	8	9	7	5	4	4	5	7	7		

SURVIVOR SERVICES

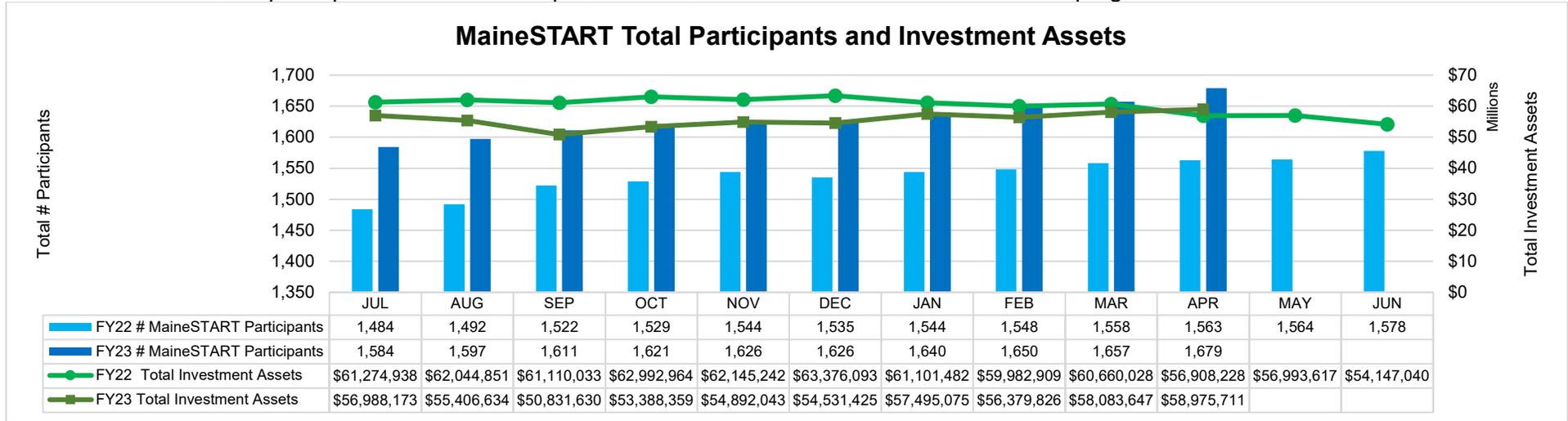
Forty-three (43) life insurance claims were sent to our carrier (The Hartford) in April, with a total value of \$1,223,055 in payments due to beneficiaries. Of the claims, thirty-nine (39) were retirees and four (4) were active members. There were no dependent claims in April.

Group Life Insurance Claim Numbers and Total Claim Values



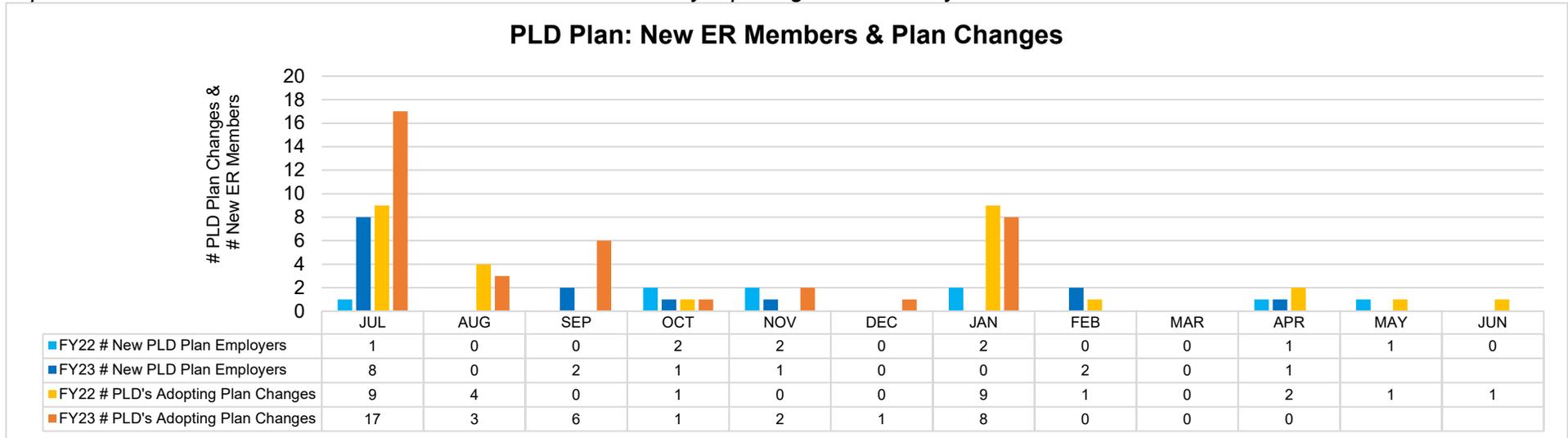
DEFINED CONTRIBUTION PLAN SERVICES

MaineSTART had 1,679 participants at the end of April, with \$58,975,711 of investment assets in the program.



PLD PLAN ADMINISTRATION

One (1) new employer, Town of Carmel, joined the PLD Retirement Program effective April 01, 2023. There were no employer plan changes effective in April 01, 2023. *Note: This metric reflects PLD employer changes (joining, returning, adopting plan changes) in the month of their implementation. This format is consistent with MainePERS activity reporting to our actuary.*



MAINEPERS

BOARD OF TRUSTEES LEGISLATIVE MEMORANDUM

TO: BOARD MEMBERS
FROM: MICHAEL J. COLLERAN, COO & GENERAL COUNSEL
KATHY MORIN, DIRECTOR, ACTUARIAL AND LEGISLATIVE AFFAIRS
SUBJECT: LEGISLATIVE UPDATE
DATE: MAY 3, 2023

The First Regular Session of the 131st Legislature convened on December 7, 2022 and adjourned on March 30, 2023. The First Special Session of the 131st Legislature convened on April 5, 2023, and all bills not yet acted upon in the First Regular Session were carried over to the Special Session. We will review proposed bills as they are printed and will bring to you bills that either could directly impact the System or are likely of interest.

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](#)

COMMITTEE OF JURISDICTION

The Committee on Labor and Housing remains the committee of jurisdiction for MainePERS-related matters.

PRINTED BILLS

The following bills have been printed. The current status of each bill is provided, with updates from last month italicized.

L.D. 70 – COLA BASE

This bill would eliminate the COLA Base, which is the level of benefit that is subject to a cost-of-living adjustment (COLA). This applies to retirees from the State-sponsored plans. A public hearing was held on February 14. A work session was held on March 9, at which the Committee unanimously voted ought to pass as amended, with the amendment to establish the COLA Base at \$40,000. *The bill was enacted by the House and placed on the Special Appropriations Table.*

L.D. 106 – SERVICE CREDIT

This bill would allow a member who has completed an established percentage of the special plan to continue to earn special plan credit upon transfer to a regular plan position. A public hearing was held on February 9, and a work session has not yet been scheduled.

L.D. 185 – TEACHER EARLY RETIREMENT

This bill would change the early retirement reduction that applies to teachers with at least thirty-five years of service credit. A public hearing was held on February 9, and a work session has not yet been scheduled.

L.D. 197 – SPECIAL PLAN FOR CRIME LAB/COMPUTER CRIMES UNIT

This bill would establish a new special plan for certain employees in the Department of Public Safety, Computer Crime Laboratory or computer crimes unit. A public hearing has not yet been scheduled.

L.D. 206 – FY 2023 SUPPLEMENTAL BUDGET

Part J of the proposed supplemental budget would provide a one-time, non-cumulative 1% cost-of-living adjustment for eligible retirees from the State-sponsored plans.

The budget was enacted as PL 2023, c. 3, effective February 2, 2023, and included the one-time COLA provision.

L.D. 313 – SPECIAL PLANS FOR LAW ENFORCEMENT

This concept draft aligns retirement plans for certain law enforcement officers. A public hearing was held on March 28, at which an amendment was submitted by the sponsor that permits an employee or employer to elect to pay the cost to transfer service from one special plan to another special plan. A separate amendment was submitted to address a service purchase issue for specific PLD members. A work session has not yet been scheduled.

L.D. 424 – FY 2024-2025 BIENNIAL BUDGET

This bill is the biennial budget enacted as PL 2023, c. 17, effective March 31, 2023. It includes required funding for normal cost and unfunded liability costs for the State-sponsored plans. It also includes required funding for retired teacher group life insurance and the pay-as-you-go Governor's Retirement Plan.

L.D. 426 – MILITARY SERVICE PURCHASE

This bill expands the periods of military service that eligible members may purchase at a subsidized rate. A public hearing was held on March 2. *A work session was held on April 26, at which the bill was tabled pending additional information.*

L.D. 483 – RETROACTIVE SPECIAL PLAN COVERAGE

This bill provides retroactive special plan coverage for certain employees of the Department of Corrections. A public hearing was held on March 2, and a work session has not yet been scheduled.

L.D. 610 – EXPAND 1998 SPECIAL PLAN – MEDICAL EXAMINER EMPLOYEES

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 public hearing was held on March 2, and a work session has not yet been scheduled.

L.D. 635 – RETIRE-REHIRE FOR LAW ENFORCEMENT OFFICERS

This bill would allow retired law enforcement officers to be hired as a school resource officer without any impact to their current retirement benefits. A public hearing was held on March 2, at which the bill was unanimously voted ought not to pass at the sponsor's request.

L.D. 733 – ANNUAL STATEMENTS

This bill requires employers and MainePERS to provide an annual benefits statement and specifies what must be included in the statement. A public hearing was held on March 28, and a work session has not yet been scheduled.

L.D. 742 – DIVESTMENT

This bill requires MainePERS to no longer invest in companies that are boycotting Maine lobster and to divest of current holdings, in accordance with sound investment criteria and

consistent with the Board's fiduciary obligations. A public hearing was held on March 9. A work session was held on April 4, at which the bill was unanimously voted ought not to pass.

L.D. 882 – LOCAL DISTRICT DEFINITION EXPANSION

This bill would allow certain non-municipal emergency medical service providers to participate in the Participating Local District Consolidated Retirement Plan. A public hearing was held on March 28, at which the bill was unanimously voted ought not to pass at the sponsor's request.

L.D. 926 – MAINEPERS REPRESENTATION

The stated intent of this concept draft is to improve MainePERS representation. A public hearing has not yet been scheduled.

L.D. 1023 – IRREVOCABLE BUDGET TRUST FUND

This bill would establish an Irrevocable Budget Trust Fund and requires that a portion of the trust funds be invested through MainePERS. *A public hearing was held on April 24, and a work session has not yet been scheduled.*

A copy of the System's testimony is included with this memo.

L.D. 1082 – MAINE RETIREMENT SAVINGS PROGRAM

This bill makes several changes to the Maine Retirement Savings Program. Section 15 of the bill is the only section relevant to MainePERS. That section makes employees of the Maine Retirement Savings Board eligible for participation in the MaineSTART plans offered by MainePERS. *A public hearing was held on April 11. A work session was held on April 12, and a divided report is anticipated.*

A copy of the System's testimony is included with this memo.

L.D. 1096 – COLA CAP

This bill would change the index on which COLA for MainePERS retirees is based from the CPI-U to the CPI-W, for the Northeast Region. It would also eliminate the 3% COLA cap currently in effect. A public hearing was held on March 28. *A work session was held on April 26, at which it was unanimously voted to amend the bill to provide an additional 3% cumulative COLA effective September 2022.*

L.D. 1123 – REBUTTABLE PRESUMPTION

This bill would create a rebuttable presumption of disability for law enforcement officers who suffer specific injuries or diseases. A public hearing is scheduled for April 6. *A work session has not yet been scheduled.*

A copy of the System's testimony is included with this memo.

L.D. 1152 – LONG-TERM DISABILITY INSURANCE

This bill requires the Board to offer long-term disability insurance coverage to participating employers, and requires employers to pay the full cost of that coverage. This bill is the version of the proposed legislation included in the November 2022 Long-Term Disability Insurance Implementation Plan that was favored by the labor members of the stakeholder group. A public hearing was held on April 4, and a work session has not yet been scheduled.

L.D. 1230 – WEP/GPO INTERSTATE COMPACT

This bill directs the System to study the creation and adoption of an interstate compact with other states affected by the WEP and GPO. A public hearing was held on April 4. *A work session was held on April 13, at which the bill was unanimously voted ought to pass.*

L.D. 1424 – DEPARTMENT OF CORRECTIONS SPECIAL PLAN

This bill appears to provide retroactive 1998 Special Plan coverage for all Department of Corrections employees whose positions are covered by that plan. *A public hearing was held on April 19, and a work session has not yet been scheduled.*

A copy of the System's testimony is included with this memo.

L.D. 1425 – RECORDING OF PUBLIC MEETINGS

This bill requires public bodies to allow for remote recording of public meetings on the same platform that is used to conduct the meeting as long as additional costs are not incurred by the public body. *A public hearing was held on April 10. A work session was held on April 19, at which the bill was voted ought to pass as amended.*

L.D. 1499 – EARLY RETIREMENT REDUCTION

This bill requires a recalculation of retirement benefits based on a decreased early retirement reduction for certain state employee and teacher retirees. *A public hearing was held*

on April 19. A work session was held on April 20, at which the bill was tabled pending additional information.

A copy of the System's testimony is included with this memo.

L.D. 1562 – FIDUCIARY RESPONSIBILITY STANDARDS

This bill would establish certain standards of care for fiduciaries of the Maine Public Employees Retirement System. A public hearing was held on April 20, 2023. A work session was held on April 20, 2023, at which the bill was unanimously voted ought not to pass at the sponsor's request.

A copy of the bill and the System's testimony is included with this memo.

L.D. 1607 – STABILIZE PENSION FUNDS

This bill would establish the Retirement Improvement Fund and requires that a portion of any surplus General Fund revenue be transferred to the fund to pay for retirement benefit improvements.

A copy of the bill and the System's testimony is included with this memo.

L.D. 1759 – DISABILITY PROGRAM

This bill makes several changes to the disability retirement program. A public hearing was held on May 3, and a work session has not yet been scheduled.

A copy of the bill and the System's testimony is included with this memo.

L.D. 1760 – EXPAND 1998 SPECIAL PLAN – CRISIS WORKERS

This bill would allow certain employees in the Department of Health and Human Services who are currently included in the regular plan to be covered instead by the 1998 Special Plan. A public hearing was held on May 3, and a work session has not yet been scheduled.

A copy of the bill and the System's testimony is included with this memo.

L.D. 1761 – EXPAND 1998 SPECIAL PLAN – MENTAL HEALTH WORKERS

This bill would allow certain employees in the Department of Health and Human Services who are currently included in the regular plan to be covered instead by the 1998 Special Plan. A public hearing was held on May 3, and a work session has not yet been scheduled.

A copy of the bill and the System's testimony is included with this memo.

REPORTS

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

BOARD AND PLD ADVISORY COMMITTEE ACTIVITY

The System is required to report annually to the Secretary of State on activities of the Board of Trustees and the PLD Advisory Committee. These reports were submitted on December 20, 2022, and copies were previously provided to the Board.

ESG POLICY

The System is required to report information annually to the Legislature regarding its environmental, social and governance investment policy. This report must disclose commonly available environmental performance metrics on the environmental effects of the board's investment. This report was filed on December 15, 2022, and a copy was previously provided to the Board.

DIVESTMENT

The System is required to report information to the Legislature regarding the progress of divestment from fossil fuels and the implementation of the divestment law enacted in 2021 (PL c. 231). This report must be submitted annually by January 1, 2023, 2024 and 2025. We requested an extension for the filing of this report until January 17, 2023 in order for the Board to have an opportunity to review the final report before it was submitted. The report was submitted on January 17, and a copy was previously provided to the Board.

LONG-TERM DISABILITY INSURANCE

The System is required to submit a report to the Legislature regarding an implementation plan for mandatory long-term disability insurance. This report was filed on December 20, 2022, and a copy was previously provided to the Board.

DISABILITY RETIREMENT

The System is required to submit a report to the Legislature regarding the experience of the system and its members after the implementation of the new disability program provisions. This report was filed on January 31, 2023, and a copy was previously provided to the Board.

PROCUREMENT

The System is required to report information annually to the Legislature regarding procurement, contributions, and changes to certain policies and procedures. This report was filed on January 23, and a copy was previously provided to the Board.

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 was filed on February 7, and a copy is included with this memo.

ANNUAL REPORT TO THE LEGISLATURE

The System is required to submit an annual report to the Legislature, including specific information set out in statute. This report was filed on February 27, and a copy was previously provided to the Board.

PRESENTATIONS

The System presented an orientation briefing to the Committee on Appropriations and Financial Affairs (AFA) on January 30, and to the Committee on Labor and Housing (LBHS) on January 31. Both presentations were well received.

The System presented the Disability Program Experience Report to the LBHS Committee on February 2. The presentation was well received.

DATE: April 24, 2023

TO: Senator Peggy Rotundo, Chair
Representative Melanie Sachs, Chair
Members, Joint Standing Committee on Appropriations and Financial Affairs

FROM: Kathy J. Morin, Director, Actuarial and Legislative Affairs

SUBJECT: Testimony on L.D. 1023 - An Act to Strengthen Maine's Financial Future in
Perpetuity by Establishing the Irrevocable Budget Trust Fund

MainePERS is submitting written testimony neither for nor against L.D. 1023, specifically relating to proposed 5 M.R.S. § 1524, sub-§4, which contains the only language in the bill that pertains to MainePERS.

MainePERS administers defined benefit plans and holds funds in trust for the beneficiaries of those plans. MainePERS also administers a group life insurance program and holds funds in trust for the participants in that program. The Board also serves as trustees of the investment trust fund for the Irrevocable Trust Fund for Post-employment benefits for retiree health benefits for State employees and teachers. MainePERS does not hold nor invest funds for any other purposes.

LD. 1023 establishes an Irrevocable Budget Trust Fund. It appears to assign MainePERS a role in investing budget trust funds similar to our role with the aforementioned trust funds. We are concerned that this role strays from our core mission of providing retirement and related benefits to public employees. The post-employment trust funds for which the Board serves as trustees have some relation to our mission since they provide health insurance for our retirees. L.D. 1023 would appear to be drawing MainePERS into general investment management for the State, a role that may be more appropriate for the State Treasurer.

Thank you for your consideration of this testimony. We are available to attend your work session if you have questions.

DATE: April 11, 2023

TO: Senator Donna Bailey, Chair
Representative Anne Perry, Chair
Members, Joint Standing Committee on Health Coverage, Insurance and
Financial Services

FROM: Kathy J. Morin, Director, Actuarial and Legislative Affairs

SUBJECT: Testimony on L.D. 1082 – An Act to Advance the Maine Retirement Savings
Program

MainePERS is submitting written testimony neither for nor against L.D. 1082, specifically section 15 of the bill, which is the only section that pertains to MainePERS.

In addition to the defined benefits that it administers, MainePERS provides 401(a), 457, and 403(b) plans through its MaineSTART Program. Those plans are currently available to employees who are eligible for membership in one of the defined benefit programs administered by MainePERS and whose employers elect to participate in those plans. L.D. 1082 would expand those eligible to participate in the defined contribution, deferred compensation and tax-shelter annuity plans offered by MainePERS to include employees of the Maine Retirement Savings Board.

MainePERS has no concerns with this language as proposed.

Thank you for your consideration of this testimony. We are available to attend your work session if you have questions.

DATE: April 6, 2023

TO: Senator Michael Tipping, Chair
Representative Amy Roeder, Chair
Members, Joint Standing Committee on Labor and Housing

FROM: Kathy J. Morin, Director, Actuarial and Legislative Affairs

SUBJECT: Testimony on L.D. 1123 - An Act to Create a Presumption That a Cardiovascular Injury or Disease or Pulmonary Disease Suffered by Certain law Enforcement Officers Is in the Course of Employment

Good afternoon, Senator Tipping, Representative Roeder, and members of the Joint Standing Committee on Labor and Housing. My name is Kathy Morin, and I am the Director of Actuarial and Legislative Affairs for the Maine Public Employees Retirement System.

MainePERS is neither for nor against L.D. 1123. We are here to provide information and offer any assistance the Committee might need regarding this bill.

It is unclear to us what is intended by Section 1 of the bill. It appears to establish a presumption under MainePERS disability laws for law enforcement officers with certain injuries or diseases. However, MainePERS disability retirement benefit eligibility does not distinguish between work and non-work related conditions so presuming that a disability is incurred in the line of duty has no bearing on eligibility determinations. Further, the language as drafted amends a section of MainePERS law that is associated with a disability program that is no longer applicable to active members who might apply for a disability retirement benefit in the future.

Once we better understand the issue that L.D. 1123 is trying to address, we would be happy to work with the sponsor and the Committee in determining ways to address the issue.

Thank you for your consideration of this testimony. I would be happy to answer your questions and will be available at your work session.

DATE: April 19, 2023

TO: Senator Michael Tipping, Chair
Representative Amy Roeder, Chair
Members, Joint Standing Committee on Labor and Housing

FROM: Kathy J. Morin, Director, Actuarial and Legislative Affairs

SUBJECT: Testimony on L.D. 1424 - An Act to Remove the Age Requirement for
Correctional Staff Retirement under the 1998 Special Plan

Senator Tipping, Representative Roeder, and members of the Joint Standing Committee on Labor and Housing. My name is Kathy Morin, and I am the Director of Actuarial and Legislative Affairs for the Maine Public Employees Retirement System.

MainePERS is neither for nor against L.D. 1424. We are here to provide information and offer any assistance the Committee might need regarding this bill.

State employees are covered by either a "regular plan" or a "special plan." The majority of state employees are covered by the regular plan, which permits retirement after twenty-five years of service and/or attainment of normal retirement age of 60, 62 or 65. Special plans typically allow for retirement with fewer years of service and/or at a younger age. Because of the more favorable provisions of the special plans, they are more expensive to fund. Included with this testimony is a chart that details the different plans and the groups covered by each.

L.D. 1424 proposes to change the retirement plan by which certain Department of Corrections employees are covered. Employees in the positions described in the bill are currently covered by the 1998 Special Plan. It is our understanding that the intent of L.D. 1424 is to move all covered employees into a special plan that provides for retirement after completing 25 years of service, regardless of age. This would be a plan separate from the 1998 Special Plan.

This bill would have a fiscal impact because the Constitution does not allow the creation of new or additional benefits unless immediately and fully funded. New benefits would be created if covered employees are able to retire earlier and with a higher benefit, which would result in benefits in excess of those currently accounted for and funded, creating a new unfunded actuarial liability (UAL). A more favorable plan would also have higher ongoing employer normal costs.

We have not yet estimated the costs associated with L.D. 1424. With guidance from the Committee, we will work with the Department and the Office of Fiscal and Program Review to identify the individuals covered by this proposal and to determine the costs associated with changing the retirement plan coverage for this group of employees.

On a technical note, if we are correct in our understanding of the intent of the bill, we do not think the bill as drafted accomplishes that intent. Specifically, the bill is drafted to amend qualifications for benefits under the 1998 Special Plan for only these employees. It does not address other aspects, such as the calculation of benefits. Many other groups are covered by the 1998 Special Plan and changing eligibility requirements for one group within that plan may create confusion. An alternative approach is to remove this group from that plan and place them in the existing 25 year, no age requirement plan. That approach would be consistent with that taken when other groups have been removed from the 1998 Special Plan and placed in a more favorable plan. We are happy to work with the sponsor and the Committee's Analyst on language to accomplish that intent.

We would also note that L.D. 483, for which a public hearing was held on March 2, proposes to change plan coverage for a subset of employees covered by L.D. 1424. Under that bill, the covered individuals would remain in the 1998 Special Plan and be provided with retroactive coverage in that plan.

Thank you for your consideration of this testimony. I would be happy to answer your questions and will be available at your work session.

DATE: April 19, 2023

TO: Senator Michael Tipping, Chair
Representative Amy Roeder, Chair
Members, Joint Standing Committee on Labor and Housing

FROM: Kathy J. Morin, Director, Actuarial and Legislative Affairs

SUBJECT: Testimony on L.D. 1499 – An Act to Regarding Penalties for Early Retirement for Certain Members of the Maine Public Employees Retirement System

Senator Tipping, Representative Roeder, and members of the Joint Standing Committee on Labor and Housing. My name is Kathy Morin, and I am the Director of Actuarial and Legislative Affairs for the Maine Public Employees Retirement System.

MainePERS is neither for nor against L.D. 1499. We are here to provide information and offer any assistance the Committee might need regarding this bill.

MainePERS administers State-sponsored defined benefit plans including those for state employees and teachers. The majority of state employees and all teacher members are covered by the regular plan, which requires twenty-five years of service and/or attainment of normal retirement age of 60, 62 or 65. A member who reaches twenty-five years of service prior to reaching normal retirement age may retire with a reduction, 6% for most current state employees and teachers, for each year below normal retirement age. The reduction is not a penalty. It reflects that benefits will be paid to the retiree over a longer period of time.

L.D. 1499 would permit certain state employees who retired between July 1, 2011 and January 1, 2012 and teachers who retired between July 1, 2011 and July 1, 2012 to have their benefits recalculated based on an early retirement reduction of 2.25% per year, rather than the 6% reduction that was applied based on the plan by which they were covered. This recalculation would be effective October 1, 2023.

L.D. 1499 will have a fiscal impact because the Constitution does not allow the creation of new or additional benefits unless immediately and fully funded. New benefits are created under this bill because retirees would be receiving benefits higher than currently accounted for and funded, creating a new unfunded actuarial liability (UAL). During the 130th Legislature, the Committee considered L.D. 548, which included the same proposal as L.D. 1499. At that time, MainePERS identified approximately 115 retirees who would be impacted by the proposal and estimated the cost for the plan change to be approximately \$6.7 million for a prospective recalculation of benefits for that group. We will work with our actuary to update these costs for L.D. 1499 if that information would be helpful to the Committee.

Thank you for your consideration of this testimony. I would be happy to answer your questions and will be available at your work session.



131st MAINE LEGISLATURE

FIRST SPECIAL SESSION-2023

Legislative Document

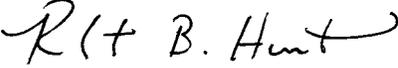
No. 1562

H.P. 1007

House of Representatives, April 11, 2023

**An Act to Protect the Retirement of State Employees and Teachers
by Establishing Standards for Fiduciary Responsibility**

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


ROBERT B. HUNT
Clerk

Presented by Representative PERKINS of Dover-Foxcroft.
Cosponsored by Senator BRAKEY of Androscoggin and
Representatives: ANDREWS of Paris, ARDELL of Monticello, FAULKINGHAM of Winter
Harbor, HYMES of Waldo, PAUL of Winterport, QUINT of Hodgdon, SOBOLESKI of
Phillips, WHITE of Guilford.

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

2 **Sec. 1. 5 MRSA §17063** is enacted to read:

3 **§17063. Fiduciary responsibility**

4 **1. Definitions.** As used in this section, unless the context otherwise indicates, the
5 following terms have the following meanings.

6 A. "Fiduciary" means a person that:

7 (1) Exercises any discretionary authority or discretionary control relating to
8 management of a plan;

9 (2) Exercises any authority or control relating to management or disposition of a
10 plan's assets;

11 (3) Has authority to render investment advice for a fee or other compensation,
12 direct or indirect, with respect to any money or other property of a plan; or

13 (4) Has any discretionary authority or discretionary responsibility in the
14 administration of a plan, including making recommendations or voting a plan's
15 shares or proxies.

16 B. "Material" means, with respect to a risk or return, that there is a substantial
17 likelihood that a reasonable investor would attach importance when evaluating the
18 potential financial return and financial risks of an existing or prospective investment
19 or exercising or declining to exercise any rights appurtenant to securities. "Material"
20 does not include furthering nonpecuniary goals or objectives or any portion of a risk or
21 return that primarily relates to events that involve a high degree of uncertainty
22 regarding what may or may not occur in the distant future and are systemic, general or
23 not investment-specific in nature.

24 C. "Nonpecuniary" means, with respect to a factor considered by a fiduciary, that the
25 factor has a purpose to further environmental, social, corporate governance, ideological
26 or political goals.

27 D. "Pecuniary" means, with respect to a factor, that the factor has a material effect on
28 the financial risk or financial return of an investment based on appropriate investment
29 horizons consistent with the plan's investment objectives and the funding policy.

30 E. "Plan" means any plan, fund or program that is established, maintained or offered
31 by the retirement system and that, by its terms or as a result of surrounding
32 circumstances, provides retirement benefits to employees or former employees or
33 results in a deferral of income by such employees for a period extending to the
34 termination of covered employment or beyond.

35 **2. Fiduciary standard.** A fiduciary shall discharge its duties with respect to a plan in
36 the pecuniary interest of the participants and beneficiaries and in accordance with this
37 subsection. A fiduciary shall discharge its duties:

38 A. For the purposes of:

39 (1) Providing pecuniary benefits to participants and their beneficiaries; and

40 (2) Defraying reasonable expenses of administering the plan.

1 A fiduciary purpose may be reasonably determined by evidence, including, but not
2 limited to, a fiduciary's statements indicating its purpose in selecting investments,
3 engaging with portfolio companies or voting shares or proxies, or any such statements
4 by any coalition, initiative or organization that the fiduciary has joined, participated in
5 or become a signatory to, in its capacity as a fiduciary;

6 B. With the care, skill, prudence and diligence under the circumstances then prevailing
7 that a prudent person acting in a like capacity and familiar with such matters would use
8 in the conduct of an enterprise of a like character and with like aims;

9 C. By diversifying the investments of the plan in order to minimize the risk of large
10 losses, unless under the circumstances it is clearly prudent not to do so; and

11 D. In accordance with the documents and instruments governing the plan that are
12 consistent with the provisions of this section.

13 **3. Consideration of nonpecuniary factors prohibited.** A fiduciary's evaluation of
14 an investment, or evaluation or exercise of any right appurtenant to an investment, must
15 take into account only pecuniary factors. A fiduciary:

16 A. May not promote nonpecuniary benefits or any other nonpecuniary goals; and

17 B. May consider nonpecuniary benefits only if the factors present economic risks or
18 opportunities that qualified investment professionals would treat as material economic
19 considerations under generally accepted investment theories. A fiduciary shall
20 evaluate those factors to:

21 (1) Prudently assess the impact of the factors on risk and return;

22 (2) Examine the level of diversification, degree of liquidity and the potential return
23 or risk in comparison with other available alternative investments that would play
24 a similar role in the plans' portfolios; and

25 (3) Determine whether greater returns can be achieved through investments that
26 rank poorly on environmental, social or governance factors.

27 **4. Voting ownership interests.** This subsection governs voting ownership interests.

28 A. All shares held directly or indirectly by or on behalf of a plan or the beneficiaries
29 thereof must be voted solely in the pecuniary interest of plan participants. Voting to
30 further nonpecuniary benefits is prohibited.

31 B. A fiduciary may not adopt a practice of following the recommendations of a proxy
32 advisory firm or other service provider unless the firm or service provider has a practice
33 of, and in writing commits to, following proxy voting guidelines that are consistent
34 with the fiduciary's obligation to act based only on pecuniary factors.

35 C. Plan assets may not be entrusted to a fiduciary unless that fiduciary has a practice
36 of, and in writing commits to, following guidelines when engaging with portfolio
37 companies and voting shares or proxies that match the State's obligation to act based
38 only on pecuniary factors.

39 D. Authority to vote shares under this subsection resides with the board, whose
40 members must have a practice of, and in writing commit to, following guidelines that
41 match the State's obligation to act based only on pecuniary factors.

DATE: April 20, 2023

TO: Senator Michael Tipping, Chair
Representative Amy Roeder, Chair
Members, Joint Standing Committee on Labor and Housing

FROM: Michael J. Colleran, Chief Operating Officer and General Counsel

SUBJECT: Testimony on L.D. 1562 - An Act to Protect the Retirement of State Employees
and Teachers by Establishing Standards for Fiduciary Responsibility

Good afternoon, Senator Tipping, Representative Roeder, and members of the Joint Standing Committee on Labor and Housing. My name is Michael Colleran, and I am the Chief Operating Officer and General Counsel for the Maine Public Employees Retirement System.

MainePERS is testifying in opposition to L.D. 1562 because the bill is unnecessary to the extent that it aligns with the Maine Constitution and would be unenforceable to the extent it is inconsistent with the Constitution.

The Maine Constitution and federal and state laws and regulations already clearly outline the fiduciary responsibilities of the MainePERS Board of Trustees.

The Maine Constitution protects the retirement benefit of MainePERS members by establishing a fiduciary duty to hold, invest, and disburse pension trust funds solely in the best financial interest of members as pension recipients. Article IX, Section 18, of the Constitution states:

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 for retirement and related benefits shall be held, invested or disbursed as in trust for the exclusive purpose of providing for such benefits and shall not be encumbered for, or diverted to, other purposes.

This “exclusive benefit rule” is also reflected in the Maine Uniform Trust Code, which applies to the MainePERS Board of Trustees and states, “A trustee shall administer the trust solely in the interests of the beneficiaries.” *18-B M.R.S. § 802(1); see also 5 M.R.S. §17153(3)*. The exclusive benefit rule is further reflected in the federal statutes and regulations that qualify MainePERS retirement plans for federal tax deferral. Under federal law, qualified retirement fund assets must not be “used for, or diverted to purposes other than the exclusive benefit of [the] employees or their beneficiaries.” *26 U.S.C. §401(a)(2)*. The “phrase ‘purposes

other than for the exclusive benefit of [the] employees or their beneficiaries' includes all objects or aims not solely designed for the proper satisfaction of all liabilities to employees or their beneficiaries covered by the trust." 26 C.F.R. § 1.401-2(a)(3). Additionally, the MainePERS Board of Trustees must comply with the Maine Uniform Prudent Investor Act, which requires the Board to "invest and manage trust assets, as a prudent investor would, by considering the purposes, terms, distribution requirements and other circumstances of the trust." 18-B M.R.S. §902(1).

These existing legal requirements provide clear and sufficient guidance to the MainePERS Board, and further requirements are unnecessary.

Following the existing requirements, the Board has adopted policies that require Trustees to act solely in the interest of members as beneficiaries of pension and related benefits, including a policy that requires MainePERS to vote its proxies solely for that purpose. MainePERS publishes all of its proxy votes on its web site, something L.D. 1562 would unnecessarily require.

L.D. 1562 has language that appears to conflict with the Board's fiduciary duty under the Maine Constitution. For example, the bill would define environmental, social, and governance factors as "nonpecuniary" and restrict or prohibit consideration of these factors in investment decisions. However, these factors can affect the long-term value of investments, and to the extent they do, the constitutional fiduciary duty requires that they be considered.

The bill also appears to restrict or prohibit consideration of risks that are general, systemic or highly uncertain. However, the Constitution and the Maine Uniform Prudent Investor Act require the Board to consider all relevant risks.

L.D. 1562 is unnecessary and potentially conflicts with the Maine Constitution.

Thank you for your consideration of this testimony. I would be happy to answer your questions and will be available for the work session.



131st MAINE LEGISLATURE

FIRST SPECIAL SESSION-2023

Legislative Document

No. 1607

S.P. 639

In Senate, April 11, 2023

**An Act to Stabilize the Pension Funds of the Maine Public
Employees Retirement System**

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

A handwritten signature in black ink, appearing to read 'D M Grant'.

DAREK M. GRANT
Secretary of the Senate

Presented by Senator PIERCE of Cumberland.
Cosponsored by Representative MILLETT of Cape Elizabeth and
Senators: INGWERSEN of York, LIBBY of Cumberland, RAFFERTY of York, TIPPING of
Penobscot, Representatives: DODGE of Belfast, GATTINE of Westbrook, MURPHY of
Scarborough, SARGENT of York.

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

2 **Sec. 1. 5 MRSA §1536, sub-§1**, as amended by PL 2021, c. 398, Pt. ZZZ, §§2 and
3 is further amended to read:

4 **1. Final priority reserves.** After the transfers to the State Contingent Account
5 pursuant to section 1507, the transfers to the Loan Insurance Reserve pursuant to section
6 1511, the transfers pursuant to section 1522, a transfer of \$2,500,000 for the Reserve for
7 General Fund Operating Capital ~~and~~, the transfers to the Retiree Health Insurance Internal
8 Service Fund pursuant to section 1519 and the transfer to the Retirement Improvement
9 Fund pursuant to section 17445, the State Controller shall transfer at the close of each fiscal
10 year from the unappropriated surplus of the General Fund an amount equal to the amount
11 available from the unappropriated surplus after all required deductions of appropriations,
12 budgeted financial commitments and adjustments considered necessary by the State
13 Controller have been made as follows:

14 A. Eighty percent to the stabilization fund; and

15 G. Twenty percent to the Highway and Bridge Capital program, Other Special
16 Revenue Funds account.

17 **Sec. 2. 5 MRSA c. 421, sub-c. 4, art. 10** is enacted to read:

18 **ARTICLE 10**

19 **RETIREMENT IMPROVEMENT FUND**

20 **§17445. Retirement Improvement Fund**

21 **1. Establishment of fund.** The Retirement Improvement Fund, referred to in this
22 section as "the fund," is established as an interest-bearing, nonlapsing fund for the payment
23 of retirement benefit improvements.

24 **2. Content of fund.** The fund consists of all resources transferred to the fund under
25 section 1536, subsection 1 and other resources made available to the fund.

26 A. At the close of each fiscal year, the State Controller shall transfer to the fund from
27 the unappropriated surplus of the General Fund, after all required deductions of
28 appropriations, budgeted financial commitments and adjustments considered necessary
29 by the State Controller have been made pursuant to section 1536, subsection 1, and
30 prior to the transfers required under section 1536, subsection 1, paragraphs A and G,
31 an amount calculated under subsection 3.

32 **3. Calculation of transfer amount.** The amount required to be transferred to the fund
33 under subsection 2 is equal to the difference between the amount of the payments made
34 toward the obligation for the unfunded actuarial liability in the year in which the amount is
35 transferred and the amount of those payments for the year preceding the year in which the
36 amount is transferred.

37 **4. Use of fund.** Money in the fund must be used to pay for retirement benefit
38 improvements, including the increase in benefits described by section 17806, subsection 1,
39 paragraph A.

SUMMARY

1
2
3
4

This bill requires that an amount of surplus General Fund revenue be transferred annually to a nonlapsing fund to be used to pay for retirement benefit improvements for retired state employees and teachers and their beneficiaries.

DATE: April 24, 2023

TO: Senator Peggy Rotundo, Chair
Representative Melanie Sachs, Chair
Members, Joint Standing Committee on Appropriations and Financial Affairs

FROM: Kathy J. Morin, Director, Actuarial and Legislative Affairs

SUBJECT: Testimony on L.D. 1607 – An Act to Stabilize the Pension Funds of the Maine
Public Employees Retirement System

MainePERS is submitting written testimony neither for nor against L.D. 1607.

LD. 1607 would establish the Retirement Improvement Fund for the payment of retirement benefit improvements, and sets out how resources would be transferred to the fund. The fund as described in the bill appears consistent with other funds that are held and administered by the State of Maine, specifically as an “interest-bearing, nonlapsing fund.” The bill would establish the new fund by adding a new Article 10 to Part 20 of Title 5. However, there is existing language in Title 5, sections 17103 and 17153, that makes the MainePERS Board of Trustees responsible for funds established by Part 20. We recommend amending the bill to clarify that the Board is not responsible for the new fund or alternatively to move the provisions establishing the new fund outside of Part 20. An example of how to make this clarification is in Title 5, section 17433.

Thank you for your consideration of this testimony. We are available to attend your work session if you have questions.



131st MAINE LEGISLATURE

FIRST SPECIAL SESSION-2023

Legislative Document

No. 1759

S.P. 706

In Senate, April 24, 2023

An Act to Clarify the Disability Retirement Program of the Maine Public Employees Retirement System

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

A handwritten signature in black ink, appearing to read 'D M Grant'.

DAREK M. GRANT
Secretary of the Senate

Presented by Senator DUSON of Cumberland.
Cosponsored by Representative OSHER of Orono and
Senators: HICKMAN of Kennebec, INGWERSEN of York, TIPPING of Penobscot,
Representatives: BRENNAN of Portland, DODGE of Belfast, MALON of Biddeford,
ROEDER of Bangor, Speaker TALBOT ROSS of Portland.

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

2 **Sec. 1. 4 MRSA §1201, sub-§10-B** is enacted to read:

3 **10-B. Gainful occupation.** "Gainful occupation" means work done by a retiree for
4 pay or for the generation of profit primarily by means of the retiree's own productive work
5 activity.

6 **Sec. 2. 4 MRSA §1353, sub-§4, ¶B**, as corrected by RR 2021, c. 1, Pt. B, §45, is
7 amended to read:

8 B. After that period, the allowance continues only if the beneficiary is unable to engage
9 in any substantially gainful activities for which the beneficiary is qualified by training,
10 education or experience. The board, chief executive officer and hearing officers shall
11 consider medical and vocational evidence in determining whether the beneficiary has
12 the physical, mental and vocational capabilities to perform substantially gainful
13 activity.

14 **Sec. 3. 5 MRSA §17103, sub-§11**, as amended by PL 2021, c. 548, §§12 to 16, is
15 further amended to read:

16 **11. Report to Legislature.** The board shall make a written report to the appropriate
17 legislative committee on or before March 1st of each year that must contain:

18 A. A discussion of any areas of policy or administration that, in the opinion of the
19 board, should be brought to the attention of the committee;

20 B. Any proposed legislation amending the retirement system law that the board
21 recommends to improve the retirement system. The joint standing committee of the
22 Legislature having jurisdiction over public employee retirement matters may submit
23 legislation required to implement recommendations made pursuant to this paragraph;

24 D. A review of the operations of the retirement system, including a summary of
25 administrative expenses and improvements in the delivery of services to members of
26 the retirement system;

27 E. A budget report showing the budget status of the administrative operations and
28 functions of the system for the current fiscal year relative to the budget for the current
29 fiscal year;

30 F. The number of individuals who retired in the previous calendar year categorized by
31 plan status;

32 G. The number of new active members of the retirement system who became members
33 during the previous year, by plan status;

34 H. The amount of earnings on investment in the previous calendar year;

35 I. The total amount of employee and employer contributions to the retirement system
36 in the previous calendar year and the total ~~amount of~~ payout amounts to retirees service
37 retirement members and to disability beneficiaries, categorized by plan status;

38 J. The number of persons who applied for disability retirement during the previous
39 calendar year including:

40 (1) The number of applicants for disability retirement who were awarded benefits
41 at the application stage;

1 (3) The number of applicants for disability retirement who appealed decisions that
2 denied disability retirement status; and

3 (4) The number of applicants who were granted disability retirement following
4 their appeals; ~~and~~

5 K. Data from a survey of members and employees that measures the level of
6 satisfaction and experience that members and employees have with the retirement
7 system. For the purposes of this paragraph, "employee" means an employee of the
8 retirement system.;

9 L. The number of service retirement members and number of disability beneficiaries
10 on January 1st in the previous calendar year;

11 M. The number of administrative decisions during the previous calendar year
12 concerning a disability beneficiary's ability to engage in substantially gainful activity;

13 N. The number of disability beneficiaries who were actively seeking work at any time
14 during the previous calendar year under section 17929, subsection 2, paragraph B,
15 subparagraph (1) and section 18529, subsection 2, paragraph B, subparagraph (1) and
16 rules adopted pursuant to those sections regarding standards for actively seeking work;

17 O. The status of disability beneficiaries whose benefits were suspended, reduced or
18 terminated during the previous calendar year, including:

19 (1) The number of disability beneficiaries whose benefits were suspended for
20 failure to submit an annual statement of compensation or earnings in a timely
21 manner;

22 (2) The number of disability beneficiaries whose benefits were reduced because
23 they exceeded the limit of allowable annual earnings;

24 (3) The number of disability beneficiaries whose benefits were terminated because
25 they exceeded the limit of allowable annual earnings;

26 (4) The number of appeals of decisions to suspend, reduce or terminate disability
27 retirement benefits; and

28 (5) The results of appeals of decisions to suspend, reduce or terminate disability
29 retirement benefits.

30 **Sec. 4. 5 MRSA §17901**, as enacted by PL 1985, c. 801, §§5 and 7, is amended by
31 enacting at the end a new paragraph to read:

32 As used in this article, unless the context otherwise indicates, "gainful occupation"
33 means work done by a retiree for pay or for the generation of profit primarily by means of
34 the retiree's own productive work activity.

35 **Sec. 5. 5 MRSA §17907, sub-§2, ¶B**, as amended by PL 2003, c. 675, §1 and PL
36 2021, c. 548, §45, is further amended to read:

37 B. After the disability has continued for 5 years, the disability of the beneficiary must
38 render the beneficiary unable to engage in any substantially gainful activity for which
39 the beneficiary is qualified by training, education or experience. The board, chief
40 executive officer and hearing officers shall consider medical and vocational evidence
41 in determining whether the beneficiary has the physical, mental and vocational

1 capabilities to perform substantially gainful activity. For purposes of this paragraph,
2 the ability to engage in substantially gainful activity is demonstrated by the ability to
3 perform work resulting in annual earnings that exceed \$20,000 or 80% of the
4 recipient's average final compensation at retirement, whichever is greater, adjusted by
5 the same percentage adjustments granted under section 17806.

6 (1) The chief executive officer may require, once each year, a recipient of a
7 disability retirement benefit to undergo medical examinations or tests, conducted
8 in accordance with section 17903, to determine the disability of the beneficiary.

9 (2) If the beneficiary refuses to submit to the examination or tests under
10 subparagraph (1), the beneficiary's disability retirement benefit is discontinued
11 until the beneficiary withdraws the refusal.

12 (3) If the beneficiary's refusal under subparagraph (2) continues for one year, all
13 the beneficiary's rights to any further benefits under this article cease.

14 (4) If it is determined, on the basis of the examination or tests under subparagraph
15 (1), that the disability of a beneficiary no longer exists, the payment of the
16 beneficiary's disability retirement benefit ceases;

17 **Sec. 6. 5 MRSA §17921, sub-§3** is enacted to read:

18 **3. Gainful activity.** "Gainful activity" means work done by a retiree for pay or for
19 the generation of profit primarily by means of the retiree's own productive work activity.

20 **Sec. 7. 5 MRSA §17929, sub-§2, ¶B,** as amended by PL 2021, c. 277, §25 and c.
21 548, §45, is further amended by amending subparagraph (1) to read:

22 (1) After the disability has continued for 2 years, the disability must render the
23 person unable to engage in any substantially gainful activity that is consistent with
24 the person's training, education or experience and average final compensation
25 adjusted by the same percentage adjustment as has been received under section
26 17806. The board, chief executive officer and hearing officers shall consider
27 medical and vocational evidence in determining whether the beneficiary has the
28 physical, mental and vocational capabilities to perform substantially gainful
29 activity. The disability retirement benefit continues if the person can effectively
30 demonstrate to the chief executive officer that the person is actively seeking work.
31 For the purposes of this subparagraph, the ability to engage in substantially gainful
32 activity is demonstrated by the ability to perform work resulting in annual earnings
33 that exceed \$20,000 or 80% of the recipient's average final compensation at
34 retirement, whichever is greater, adjusted by the same percentage adjustments
35 granted under section 17806.

36 **Sec. 8. 5 MRSA §18501,** as enacted by PL 1985, c. 801, §§5 and 7, is amended by
37 enacting at the end a new paragraph to read:

38 As used in this article, unless the context otherwise indicates, "gainful occupation"
39 means work done by a retiree for pay or for the generation of profit primarily by means of
40 the retiree's own productive work activity.

41 **Sec. 9. 5 MRSA §18507, sub-§2, ¶B,** as amended by PL 2003, c. 675, §3 and PL
42 2021, c. 548, §45, is further amended to read:

1 B. After the disability has continued for 5 years, the disability of the beneficiary must
2 render the beneficiary unable to engage in any substantially gainful activity for which
3 the beneficiary is qualified by training, education or experience. The board, chief
4 executive officer and hearing officers shall consider medical and vocational evidence
5 in determining whether the beneficiary has the physical, mental and vocational
6 capabilities to perform substantially gainful activity. For purposes of this paragraph,
7 the ability to engage in substantially gainful activity is demonstrated by the ability to
8 perform work resulting in annual earnings that exceed \$20,000 or 80% of the recipient's
9 average final compensation at retirement, whichever is greater, adjusted by the same
10 percentage adjustments granted under section 18407.

11 (1) The chief executive officer may require, once each year, a recipient of a
12 disability retirement benefit to undergo medical examinations or tests, conducted
13 in accordance with section 18503, to determine the disability of the beneficiary.

14 (2) If the beneficiary refuses to submit to the examination or tests under
15 subparagraph (1), the beneficiary's disability retirement benefit is discontinued
16 until the beneficiary withdraws the refusal.

17 (3) If the beneficiary's refusal under subparagraph (2) continues for one year, all
18 the beneficiary's rights to any further benefits under this article cease.

19 (4) If it is determined, on the basis of the examination or tests under subparagraph
20 (1), that the disability of a beneficiary no longer exists, the payment of the
21 beneficiary's disability retirement benefit ceases.

22 **Sec. 10. 5 MRSA §18521, sub-§3** is enacted to read:

23 **3. Gainful activity.** "Gainful activity" means work done by a retiree for pay or for
24 the generation of profit primarily by means of the retiree's own productive work activity.

25 **Sec. 11. 5 MRSA §18529, sub-§2, ¶B,** as amended by PL 2021, c. 277, §38 and
26 c. 548, §45, is further amended by amending subparagraph (1) to read:

27 (1) After the disability has continued for 2 years, the disability must render the
28 person unable to engage in any substantially gainful activity that is consistent with
29 the person's training, education or experience and average final compensation
30 adjusted by the same percentage adjustment as has been received under section
31 18407. The board, chief executive officer and hearing officers shall consider
32 medical and vocational evidence in determining whether the beneficiary has the
33 physical, mental and vocational capabilities to perform substantially gainful
34 activity. The disability retirement benefit continues if the person can effectively
35 demonstrate to the chief executive officer that the person is actively seeking work.
36 For purposes of this subparagraph, the ability to engage in substantially gainful
37 activity is demonstrated by the ability to perform work resulting in annual earnings
38 that exceed \$20,000 or 80% of the recipient's average final compensation at
39 retirement, whichever is greater, adjusted by the same percentage adjustments
40 granted under section 18407.

41 **Sec. 12. Application.** This Act applies to the disability retirement benefit program
42 of the Maine Public Employees Retirement System on the effective date of this Act.

1 **SUMMARY**

2 This bill amends the laws relating to disability retirement under the Maine Public
3 Employees Retirement System. The bill:

4 1. Provides that the Board of Trustees of the Maine Public Employees Retirement
5 System, the Chief Executive Officer of the Maine Public Employees Retirement System
6 and hearing officers shall consider medical and vocational evidence in determining whether
7 the beneficiary has the physical, mental and vocational capabilities to perform substantially
8 gainful activity;

9 2. Defines the term "gainful activity" in the article governing disability retirement
10 benefits after September 30, 1989 for state employees and teachers and the article
11 governing disability retirement benefits for participating local districts;

12 3. Defines the term "gainful occupation" in the chapter governing judicial retirement
13 on or after December 1, 1984, the article governing disability retirement benefits of state
14 employees and teachers and the article governing disability retirement benefits for
15 participating local districts; and

16 4. Requires that the retirement system's annual report to the joint standing committee
17 of the Legislature having jurisdiction over retirement matters include statistics about
18 administrative decisions affecting the benefits of disability beneficiaries, appeals of those
19 decisions and the overall numbers of disability retirement beneficiaries.

DATE: May 3, 2023

TO: Senator Michael Tipping, Chair
Representative Amy Roeder, Chair
Members, Joint Standing Committee on Labor and Housing

FROM: Kathy J. Morin, Director, Actuarial and Legislative Affairs

SUBJECT: Testimony on L.D. 1759 – An Act to Clarify the Disability Retirement Program of the Maine Public Employees Retirement System

Senator Tipping, Representative Roeder, and members of the Joint Standing Committee on Labor and Housing. My name is Kathy Morin, and I am the Director of Actuarial and Legislative Affairs for the Maine Public Employees Retirement System.

MainePERS is neither for nor against L.D. 1759. We are here to provide information and offer any assistance the Committee might need regarding this bill.

L.D. 1759 would provide definitions of “gainful occupation” and “gainful activity” in the statutes that govern disability retirement benefits, specify types of evidence that must be considered in determining the ability to perform substantially gainful activity, and expand the information that MainePERS must include in its annual legislative report.

A law making extensive changes to the MainePERS disability retirement program was enacted in the 130th Legislature to ensure a member applying for a disability retirement benefit has every opportunity to provide information and enable an accurate assessment of their eligibility for the benefit. That new law has been in effect since October 18, 2021 for disability retirement applications filed on or after that date. While there is limited experience since these changes went into effect, the experience of members completing the application process in the first year of implementation was positive. MainePERS submitted a report on this experience to the Committee in January pursuant to a requirement in the new law and made a presentation to the Committee on the report on February 2, 2023.

As part of implementing the new law, MainePERS engaged in consensus-based rule development on our disability and appeals programs. One of those rules, Rule Chapter 506, addresses eligibility for disability retirement, including the determination of ability to engage in substantially gainful activity. That rule just became effective on March 1, 2023.

We believe that the way MainePERS currently administers the plan under Rule Chapter 506 is consistent with L.D. 1759’s proposed definitions and evidentiary requirements. That belief is

based in part on the understanding that the bill's reference to "pay or for the generation of profit" also includes self-employment net income and that the bill's reference to "vocational evidence" includes evidence of employment positions available in the labor market for the member's state of residence.

MainePERS would be happy to provide the additional reporting required by L.D. 1759 if that would be useful to the Legislature.

We do have two technical suggestions regarding the bill's language. The bill refers to "service retirement members" and "disability beneficiaries." We suggest changing that terminology to "service retirees" and "disability retirees" for consistency with other statutory provisions and to avoid confusion. We also suggest adding clarification that the new reporting requirements proposed for Section 17103, sub-§ 11, paragraph O, subparagraphs (4)-(5) pertain to suspensions for failure to submit an annual statement of compensation in a timely manner and reductions or terminations because allowable annual earning limits have been exceeded, consistent with proposed subparagraphs (1)-(3).

Thank you for your consideration of this testimony. I would be happy to answer your questions and will be available for the work session.



131st MAINE LEGISLATURE

FIRST SPECIAL SESSION-2023

Legislative Document

No. 1760

S.P. 707

In Senate, April 24, 2023

**An Act to Include Certain Crisis Outreach and Crisis Services
Workers Under the 1998 Special Plan for Retirement**

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

A handwritten signature in black ink, appearing to read 'D M Grant'.

DAREK M. GRANT
Secretary of the Senate

Presented by President JACKSON of Aroostook.

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

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

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

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

8 Q. Civilian employees whose job responsibilities include the handling, examination or
9 analysis of digital or physical evidence in the employment of the Department of Public
10 Safety, Maine State Police Crime Laboratory or computer crimes unit on October 1,
11 2021 who elect to participate in the 1998 Special Plan or hired thereafter; and

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

13 R. Employees of the Department of Health and Human Services on October 1, 2023
14 or hired thereafter who have responsibility for providing crisis outreach and crisis
15 services to adults with developmental disabilities or intellectual disabilities in a
16 community-based or residential setting, except for an institutional setting.

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

19 **2. Qualification for benefits.** A member employed in any one or a combination of
20 the capacities specified in subsection 1 after June 30, 1998 and before September 1, 2002
21 for employees identified in subsection 1, paragraphs A and B; after June 30, 1998 for
22 employees identified in subsection 1, paragraphs C to H; after December 31, 1999 for
23 employees identified in subsection 1, paragraphs I to K; any employee identified in
24 subsection 1, paragraph M; after June 30, 2020 for employees identified in subsection 1,
25 paragraphs N to P; after September 30, 2021 for employees identified in subsection 1,
26 paragraph Q; after September 30, 2023 for employees identified in subsection 1, paragraph
27 R; and any employee identified in subsection 1, paragraph L, qualifies for a service
28 retirement benefit if that member either:

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

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

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

37 (1) Service credit purchased by repayment of an earlier refund of accumulated
38 contributions following termination of service is included only to the extent that
39 time to which the refund relates was served after June 30, 1998 and before
40 September 1, 2002 for employees identified in subsection 1, paragraphs A and B;
41 after June 30, 1998 for employees identified in subsection 1, paragraphs C to H;
42 after December 31, 1999 for employees identified in subsection 1, paragraphs I to

1 K; after June 30, 2020 for employees identified in subsection 1, paragraphs N to P;
2 and after September 30, 2021 for employees identified in subsection 1, paragraph
3 Q in any one or a combination of the capacities specified in subsection 1. Service
4 credit may be purchased for service by an employee identified in subsection 1,
5 paragraphs L ~~and~~ M and R regardless of when performed; and

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

8 A. If all of the member's creditable service in any one or a combination of the
9 capacities specified in subsection 1 was earned after June 30, 1998 and before
10 September 1, 2002 for employees identified in subsection 1, paragraphs A and B; after
11 June 30, 1998 for employees identified in subsection 1, paragraphs C to H; after
12 December 31, 1999 for employees identified in subsection 1, paragraphs I to K; after
13 December 31, 2001 for employees identified in subsection 1, paragraph L; after June
14 30, 2002 for employees identified in subsection 1, paragraph M; after June 30, 2020
15 for employees identified in subsection 1, paragraphs N to P; ~~and~~ after September 30,
16 2021 for employees identified in subsection 1, paragraph Q; and after September 30,
17 2023 for employees identified in subsection 1, paragraph R; if service credit was
18 purchased by repayment of an earlier refund of accumulated contributions for service
19 in any one or a combination of the capacities specified in subsection 1 after June 30,
20 1998 and before September 1, 2002 for employees identified in subsection 1,
21 paragraphs A and B; after June 30, 1998 for employees identified in subsection 1,
22 paragraphs C to H; after December 31, 1999 for employees identified in subsection 1,
23 paragraphs I to K; after December 31, 2001 for employees identified in subsection 1,
24 paragraph L; after June 30, 2002 for employees identified in subsection 1, paragraph
25 M; after June 30, 2020 for employees identified in subsection 1, paragraphs N to P; ~~and~~
26 after September 30, 2021 for employees identified in subsection 1, paragraph Q; and
27 after September 30, 2023 for employees identified in subsection 1, paragraph R; or if
28 service credit was purchased by other than the repayment of an earlier refund and
29 eligibility to make the purchase of the service credit, including, but not limited to,
30 service credit for military service, was achieved after June 30, 1998 and before
31 September 1, 2002 for employees identified in subsection 1, paragraphs A and B; after
32 June 30, 1998 for employees identified in subsection 1, paragraphs C to H; after
33 December 31, 1999 for employees identified in subsection 1, paragraphs I to K; after
34 December 31, 2001 for employees identified in subsection 1, paragraph L; after June
35 30, 2002 for employees identified in subsection 1, paragraph M; after June 30, 2020
36 for employees identified in subsection 1, paragraphs N to P; ~~and~~ after September 30,
37 2021 for employees identified in subsection 1, paragraph Q; and after September 30,
38 2023 for employees identified in subsection 1, paragraph R, the benefit must be
39 computed as provided in section 17852, subsection 1, paragraph A.

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

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

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

3 B. Except as provided in paragraphs D, E ~~and~~, F and G, if some part of the member's
4 creditable service in any one or a combination of the capacities specified in subsection
5 1 was earned before July 1, 1998 for employees identified in subsection 1, paragraphs
6 A to H; before January 1, 2000 for employees identified in subsection 1, paragraphs
7 I to K; before January 1, 2002 for employees identified in subsection 1, paragraph L;
8 before July 1, 2002 for employees identified in subsection 1, paragraph M; before July
9 1, 2020 for employees identified in subsection 1, paragraphs N to P; ~~and~~ before October
10 1, 2021 for employees identified in subsection 1, paragraph Q; and before October 1,
11 2023 for employees identified in subsection 1, paragraph R and some part of the
12 member's creditable service in any one or a combination of the capacities specified in
13 subsection 1 was earned after June 30, 1998 and before September 1, 2002 for
14 employees identified in subsection 1, paragraphs A and B; after June 30, 1998 for
15 employees identified in subsection 1, paragraphs C to H; after December 31, 1999 for
16 employees identified in subsection 1, paragraphs I to K; after December 31, 2001 for
17 employees identified in subsection 1, paragraph L; after June 30, 2002 for employees
18 identified in subsection 1, paragraph M; after June 30, 2020 for employees identified
19 in subsection 1, paragraphs N to P; ~~and~~ after September 30, 2021 for employees
20 identified in subsection 1, paragraph Q; and after September 30, 2023 for employees
21 identified in subsection 1, paragraph R, then the member's service retirement benefit
22 must be computed in segments and the amount of the member's service retirement
23 benefit is the sum of the segments. The segments must be computed as follows:

24 (1) The segment or, if the member served in more than one of the capacities
25 specified in subsection 1 and the benefits related to the capacities are not
26 interchangeable under section 17856, segments that reflect creditable service
27 earned before July 1, 1998 for employees identified in subsection 1, paragraphs A
28 to H; before January 1, 2000 for employees identified in subsection 1, paragraphs
29 I to K; before January 1, 2002 for employees identified in subsection 1, paragraph
30 L; before July 1, 2002 for employees identified in subsection 1, paragraph M;
31 before July 1, 2020 for employees identified in subsection 1, paragraphs N to P;
32 ~~and~~ before October 1, 2021 for employees identified in subsection 1, paragraph Q;
33 and before October 1, 2023 for employees identified in subsection 1, paragraph R
34 or purchased by repayment of an earlier refund of accumulated contributions for
35 service before July 1, 1998, for employees identified in subsection 1, paragraphs
36 A to H; before January 1, 2000 for employees identified in subsection 1, paragraphs
37 I to K; before January 1, 2002 for employees identified in subsection 1, paragraph
38 L; before July 1, 2002 for employees identified in subsection 1, paragraph M;
39 before July 1, 2020 for employees identified in subsection 1, paragraphs N to P;
40 ~~and~~ before October 1, 2021 for employees identified in subsection 1, paragraph Q;
41 and before October 1, 2023 for employees identified in subsection 1, paragraph R
42 in a capacity or capacities specified in subsection 1 or purchased by other than the
43 repayment of a refund and eligibility to make the purchase of the service credit,
44 including, but not limited to, service credit for military service, was achieved
45 before July 1, 1998 for employees identified in subsection 1, paragraphs A to H;
46 before January 1, 2000 for employees identified in subsection 1, paragraphs I to K;
47 before January 1, 2002 for employees identified in subsection 1, paragraph L;

1 before July 1, 2002 for employees identified in subsection 1, paragraph M; before
2 July 1, 2020 for employees identified in subsection 1, paragraphs N to P; ~~and~~ before
3 October 1, 2021 for employees identified in subsection 1, paragraph Q; and before
4 October 1, 2023 for employees identified in subsection 1, paragraph R, must be
5 computed under section 17852, subsection 1, paragraph A. If the member is
6 qualified under subsection 2, paragraph B and:

7 (a) Had 10 years of creditable service on July 1, 1993, the amount of the
8 segment or segments must be reduced as provided in section 17852, subsection
9 3, paragraphs A and B; or

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

13 (2) The segment that reflects creditable service earned after June 30, 1998 and
14 before September 1, 2002 for employees identified in subsection 1, paragraphs A
15 and B; after June 30, 1998 for employees identified in subsection 1, paragraphs C
16 to H; after December 31, 1999 for employees identified in subsection 1, paragraphs
17 I to K; after December 31, 2001 for employees identified in subsection 1, paragraph
18 L; after June 30, 2002 for employees identified in subsection 1, paragraph M; after
19 June 30, 2020 for employees identified in subsection 1, paragraphs N to P; ~~and~~
20 after September 30, 2021 for employees identified in subsection 1, paragraph Q;
21 and after September 30, 2023 for employees identified in subsection 1, paragraph
22 R or purchased by repayment of an earlier refund of accumulated contributions for
23 service after June 30, 1998 and before September 1, 2002 for employees identified
24 in subsection 1, paragraphs A and B; after June 30, 1998 for employees identified
25 in subsection 1, paragraphs C to H; after December 31, 1999 for employees
26 identified in subsection 1, paragraphs I to K; after December 31, 2001 for
27 employees identified in subsection 1, paragraph L; after June 30, 2002 for
28 employees identified in subsection 1, paragraph M; after June 30, 2020 for
29 employees identified in subsection 1, paragraphs N to P; ~~and~~ after September 30,
30 2021 for employees identified in subsection 1, paragraph Q; and after September
31 30, 2023 for employees identified in subsection 1, paragraph R in any one or a
32 combination of the capacities specified in subsection 1, or purchased by other than
33 the repayment of a refund and eligibility to make the purchase of the service credit,
34 including, but not limited to, service credit for military service, was achieved after
35 June 30, 1998 and before September 1, 2002 for employees identified in subsection
36 1, paragraphs A and B; after June 30, 1998 for employees identified in subsection
37 1, paragraphs C to H; after December 31, 1999 for employees identified in
38 subsection 1, paragraphs I to K; after December 31, 2001 for employees identified
39 in subsection 1, paragraph L; after June 30, 2002 for employees identified in
40 subsection 1, paragraph M; after June 30, 2020 for employees identified in
41 subsection 1, paragraphs N to P; ~~and~~ after September 30, 2021 for employees
42 identified in subsection 1, paragraph Q; and after September 30, 2023 for
43 employees identified in subsection 1, paragraph R must be computed under section
44 17852, subsection 1, paragraph A. If the member is qualified under subsection 2,
45 paragraph B and:

- 1 (a) Had 10 years of creditable service on July 1, 1993, the segment amount
2 must be reduced in the manner provided in section 17852, subsection 3,
3 paragraphs A and B for each year that the member's age precedes 55 years of
4 age; or
5 (b) Had fewer than 10 years of creditable service on July 1, 1993, the segment
6 amount must be reduced by 6% for each year that the member's age precedes
7 55 years of age.

8 **Sec. 8. 5 MRSA §17851-A, sub-§4, ¶G** is enacted to read:

9 G. The service retirement benefit of a member to whom subsection 1, paragraph R
10 applies and who qualifies for service retirement benefits under subsection 2 must be
11 computed under section 17852, subsection 1, paragraph A on the basis of all of the
12 member's creditable service in the capacity specified in subsection 1, paragraph R,
13 regardless of when that creditable service was earned, except that for a member
14 qualifying under subsection 2, paragraph B:

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

18 (2) If the member had fewer than 10 years of creditable service on July 1, 1993,
19 the benefit must be reduced by 6% for each year that the member's age precedes
20 55 years of age.

21 **Sec. 9. 5 MRSA §17851-A, sub-§5**, as amended by PL 2021, c. 474, §10, is further
22 amended to read:

23 **5. Contributions.** Notwithstanding any ~~other~~ provision of subchapter 3 to the
24 contrary, after June 30, 1998 and before September 1, 2002 for employees identified in
25 subsection 1, paragraphs A and B; after June 30, 1998 for employees identified in
26 subsection 1, paragraphs C to H; after December 31, 1999 for employees identified in
27 subsection 1, paragraphs I to K; after December 31, 2001 for employees identified in
28 subsection 1, paragraph L; after June 30, 2002 for employees identified in subsection 1,
29 paragraph M; after June 30, 2020 for employees identified in subsection 1, paragraphs N
30 to P; ~~and~~ after September 30, 2021 for employees identified in subsection 1, paragraph Q;
31 and after September 30, 2023 for employees identified in subsection 1, paragraph R, a
32 member in the capacities specified in subsection 1 must contribute to the State Employee
33 and Teacher Retirement Program or have pick-up contributions made at the rate of 8.65%
34 of earnable compensation until the member has completed 25 years of creditable service as
35 provided in this section and at the rate of 7.65% thereafter.

36 **Sec. 10. Transition.** If an employee described in the Maine Revised Statutes, Title
37 5, section 17851-A, subsection 1, paragraph R who is employed on October 1, 2023 elects
38 to participate in the 1998 Special Plan of the Maine Public Employees Retirement System,
39 as provided in Title 5, section 17851-A, subsection 1, that employee must make that
40 election no later than December 31, 2023 and that employee's participation in the 1998
41 Special Plan becomes effective January 1, 2024.

SUMMARY

1
2
3
4
5

This bill adds employees who provide crisis outreach and services to adults with developmental disabilities or intellectual disabilities in a community-based or residential setting, except for an institutional setting, to the 1998 Special Plan for certain Maine Public Employees Retirement System members.

DATE: May 3, 2023

TO: Senator Michael Tipping, Chair
Representative Amy Roeder, Chair
Members, Joint Standing Committee on Labor and Housing

FROM: Kathy J. Morin, Director, Actuarial and Legislative Affairs

SUBJECT: Testimony on L.D. 1760 – An Act to Include Certain Crisis Outreach and Crisis Services Workers Under the 1998 Special Plan for Retirement

Good afternoon, Senator Tipping, Representative Roeder, and members of the Joint Standing Committee on Labor and Housing. My name is Kathy Morin, and I am the Director of Actuarial and Legislative Affairs for the Maine Public Employees Retirement System.

MainePERS is neither for nor against L.D. 1760. We are here to provide information and offer any assistance the Committee might need regarding this bill.

State employees are covered by either a “regular plan” or a “special plan.” The majority of state employees are covered by the regular plan, which permits retirement after twenty-five years of service and/or attainment of normal retirement age of 60, 62 or 65. Special plans typically allow for retirement with fewer years of service and/or at a younger age. Because of the more favorable provisions of the special plans, they are more expensive to fund.

All employees in the Department of Health and Human Services are covered by the regular plan. L.D. 1760 would move certain employees, specifically crisis outreach and crisis services workers as defined in the bill, into the 1998 Special Plan effective October 1, 2023, and would apply retroactively to include all covered service in the special plan. Under this plan, participants become eligible to retire in one of two ways: 1) by accruing 25 years of service in a covered capacity; or 2) by accruing 10 years under the 1998 Special Plan and attaining age 55. Under the first provision, all service in a covered capacity is counted towards meeting the 25-year requirement while under the second provision, only service earned in a covered capacity after the date that a specific group is included in the plan is counted towards meeting the 10 year requirement.

This bill will have a fiscal impact because the Constitution does not allow the creation of new or additional benefits unless immediately and fully funded. New benefits are created under L.D. 1760 because covered employees would be able to retire earlier and with a higher benefit, and therefore would receive benefits in excess of those currently accounted for and funded, creating a new unfunded actuarial liability (UAL).

During the 130th Legislature, the Committee considered L.D. 1041, which was amended to include the same proposal as L.D. 1760. At that time, MainePERS estimated the cost for the plan change to be approximately \$102,000 in increased UAL, for the individuals then identified to be impacted by that bill. There would also be an increase to the ongoing employer and member normal costs for the employees covered by this bill. MainePERS will work with the Department and the Office of Fiscal and Program Review to identify the individuals covered by this proposal and to determine the costs associated with amending the retirement plan coverage for this group of employees.

MainePERS has one concern about the way L.D. 1760 is drafted. Specifically, the bill as proposed permits impacted employees to elect whether to move into the new plan. Plan coverage elections in a qualified plan are not permitted by the Internal Revenue Service. MainePERS would recommend that in order to avoid a plan compliance issue, the bill be amended to move all employees in the covered positions into the new plan.

Thank you for your consideration of this testimony. I would be happy to answer your questions and will be available at your work session.



131st MAINE LEGISLATURE

FIRST SPECIAL SESSION-2023

Legislative Document

No. 1761

S.P. 708

In Senate, April 24, 2023

**An Act to Include Certain Mental Health Workers Under the 1998
Special Plan for Retirement**

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

A handwritten signature in black ink, appearing to read 'D M Grant'.

DAREK M. GRANT
Secretary of the Senate

Presented by President JACKSON of Aroostook.

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

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

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

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

8 Q. Civilian employees whose job responsibilities include the handling, examination or
9 analysis of digital or physical evidence in the employment of the Department of Public
10 Safety, Maine State Police Crime Laboratory or computer crimes unit on October 1,
11 2021 who elect to participate in the 1998 Special Plan or hired thereafter; and

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

13 R. Persons in the employment of the Department of Health and Human Services on
14 October 1, 2023 or hired thereafter who have responsibility for providing direct care to
15 persons in need of mental health services in a community-based or residential setting
16 or to residents or patients of mental health institutions in this State. For purposes of
17 this paragraph, "direct care" means services or treatment essential to a person's security,
18 health or well-being, except for case management services.

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

21 **2. Qualification for benefits.** A member employed in any one or a combination of
22 the capacities specified in subsection 1 after June 30, 1998 and before September 1, 2002
23 for employees identified in subsection 1, paragraphs A and B; after June 30, 1998 for
24 employees identified in subsection 1, paragraphs C to H; after December 31, 1999 for
25 employees identified in subsection 1, paragraphs I to K; any employee identified in
26 subsection 1, paragraph M; after June 30, 2020 for employees identified in subsection 1,
27 paragraphs N to P; after September 30, 2021 for employees identified in subsection 1,
28 paragraph Q; after September 30, 2023 for employees identified in subsection 1, paragraph
29 R; and any employee identified in subsection 1, paragraph L, qualifies for a service
30 retirement benefit if that member either:

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

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

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

39 (1) Service credit purchased by repayment of an earlier refund of accumulated
40 contributions following termination of service is included only to the extent that
41 time to which the refund relates was served after June 30, 1998 and before
42 September 1, 2002 for employees identified in subsection 1, paragraphs A and B;

1 after June 30, 1998 for employees identified in subsection 1, paragraphs C to H;
2 after December 31, 1999 for employees identified in subsection 1, paragraphs I to
3 K; after June 30, 2020 for employees identified in subsection 1, paragraphs N to P;
4 and after September 30, 2021 for employees identified in subsection 1, paragraph
5 Q in any one or a combination of the capacities specified in subsection 1. Service
6 credit may be purchased for service by an employee identified in subsection 1,
7 paragraphs L ~~and~~ M and R regardless of when performed; and

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

10 A. If all of the member's creditable service in any one or a combination of the
11 capacities specified in subsection 1 was earned after June 30, 1998 and before
12 September 1, 2002 for employees identified in subsection 1, paragraphs A and B; after
13 June 30, 1998 for employees identified in subsection 1, paragraphs C to H; after
14 December 31, 1999 for employees identified in subsection 1, paragraphs I to K; after
15 December 31, 2001 for employees identified in subsection 1, paragraph L; after June
16 30, 2002 for employees identified in subsection 1, paragraph M; after June 30, 2020
17 for employees identified in subsection 1, paragraphs N to P; ~~and~~ after September 30,
18 2021 for employees identified in subsection 1, paragraph Q; and after September 30,
19 2023 for employees identified in subsection 1, paragraph R; if service credit was
20 purchased by repayment of an earlier refund of accumulated contributions for service
21 in any one or a combination of the capacities specified in subsection 1 after June 30,
22 1998 and before September 1, 2002 for employees identified in subsection 1,
23 paragraphs A and B; after June 30, 1998 for employees identified in subsection 1,
24 paragraphs C to H; after December 31, 1999 for employees identified in subsection 1,
25 paragraphs I to K; after December 31, 2001 for employees identified in subsection 1,
26 paragraph L; after June 30, 2002 for employees identified in subsection 1, paragraph
27 M; after June 30, 2020 for employees identified in subsection 1, paragraphs N to P; ~~and~~
28 after September 30, 2021 for employees identified in subsection 1, paragraph Q; and
29 after September 30, 2023 for employees identified in subsection 1, paragraph R; or if
30 service credit was purchased by other than the repayment of an earlier refund and
31 eligibility to make the purchase of the service credit, including, but not limited to,
32 service credit for military service, was achieved after June 30, 1998 and before
33 September 1, 2002 for employees identified in subsection 1, paragraphs A and B; after
34 June 30, 1998 for employees identified in subsection 1, paragraphs C to H; after
35 December 31, 1999 for employees identified in subsection 1, paragraphs I to K; after
36 December 31, 2001 for employees identified in subsection 1, paragraph L; after June
37 30, 2002 for employees identified in subsection 1, paragraph M; after June 30, 2020
38 for employees identified in subsection 1, paragraphs N to P; ~~and~~ after September 30,
39 2021 for employees identified in subsection 1, paragraph Q; and after September 30,
40 2023 for employees identified in subsection 1, paragraph R, the benefit must be
41 computed as provided in section 17852, subsection 1, paragraph A.

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

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

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

6 B. Except as provided in paragraphs D, E ~~and~~ F and G, if some part of the member's
7 creditable service in any one or a combination of the capacities specified in subsection
8 1 was earned before July 1, 1998 for employees identified in subsection 1, paragraphs
9 A to H; before January 1, 2000 for employees identified in subsection 1, paragraphs I
10 to K; before January 1, 2002 for employees identified in subsection 1, paragraph L;
11 before July 1, 2002 for employees identified in subsection 1, paragraph M; before July
12 1, 2020 for employees identified in subsection 1, paragraphs N to P; ~~and~~ before October
13 1, 2021 for employees identified in subsection 1, paragraph Q; and before October 1,
14 2023 for employees identified in subsection 1, paragraph R and some part of the
15 member's creditable service in any one or a combination of the capacities specified in
16 subsection 1 was earned after June 30, 1998 and before September 1, 2002 for
17 employees identified in subsection 1, paragraphs A and B; after June 30, 1998 for
18 employees identified in subsection 1, paragraphs C to H; after December 31, 1999 for
19 employees identified in subsection 1, paragraphs I to K; after December 31, 2001 for
20 employees identified in subsection 1, paragraph L; after June 30, 2002 for employees
21 identified in subsection 1, paragraph M; after June 30, 2020 for employees identified
22 in subsection 1, paragraphs N to P; ~~and~~ after September 30, 2021 for employees
23 identified in subsection 1, paragraph Q; and after September 30, 2023 for employees
24 identified in subsection 1, paragraph R, then the member's service retirement benefit
25 must be computed in segments and the amount of the member's service retirement
26 benefit is the sum of the segments. The segments must be computed as follows:

27 (1) The segment or, if the member served in more than one of the capacities
28 specified in subsection 1 and the benefits related to the capacities are not
29 interchangeable under section 17856, segments that reflect creditable service
30 earned before July 1, 1998 for employees identified in subsection 1, paragraphs A
31 to H; before January 1, 2000 for employees identified in subsection 1, paragraphs
32 I to K; before January 1, 2002 for employees identified in subsection 1, paragraph
33 L; before July 1, 2002 for employees identified in subsection 1, paragraph M;
34 before July 1, 2020 for employees identified in subsection 1, paragraphs N to P;
35 ~~and~~ before October 1, 2021 for employees identified in subsection 1, paragraph Q;
36 and before October 1, 2023 for employees identified in subsection 1, paragraph R
37 or purchased by repayment of an earlier refund of accumulated contributions for
38 service before July 1, 1998, for employees identified in subsection 1, paragraphs
39 A to H; before January 1, 2000 for employees identified in subsection 1, paragraphs
40 I to K; before January 1, 2002 for employees identified in subsection 1, paragraph
41 L; before July 1, 2002 for employees identified in subsection 1, paragraph M;
42 before July 1, 2020 for employees identified in subsection 1, paragraphs N to P;
43 ~~and~~ before October 1, 2021 for employees identified in subsection 1, paragraph Q;
44 and before October 1, 2023 for employees identified in subsection 1, paragraph R
45 in a capacity or capacities specified in subsection 1 or purchased by other than the
46 repayment of a refund and eligibility to make the purchase of the service credit,

1 including, but not limited to, service credit for military service, was achieved
2 before July 1, 1998 for employees identified in subsection 1, paragraphs A to H;
3 before January 1, 2000 for employees identified in subsection 1, paragraphs I to K;
4 before January 1, 2002 for employees identified in subsection 1, paragraph L;
5 before July 1, 2002 for employees identified in subsection 1, paragraph M; before
6 July 1, 2020 for employees identified in subsection 1, paragraphs N to P; ~~and~~ before
7 October 1, 2021 for employees identified in subsection 1, paragraph Q; and before
8 October 1, 2023 for employees identified in subsection 1, paragraph R, must be
9 computed under section 17852, subsection 1, paragraph A. If the member is
10 qualified under subsection 2, paragraph B and:

11 (a) Had 10 years of creditable service on July 1, 1993, the amount of the
12 segment or segments must be reduced as provided in section 17852, subsection
13 3, paragraphs A and B; or

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

17 (2) The segment that reflects creditable service earned after June 30, 1998 and
18 before September 1, 2002 for employees identified in subsection 1, paragraphs A
19 and B; after June 30, 1998 for employees identified in subsection 1, paragraphs C
20 to H; after December 31, 1999 for employees identified in subsection 1, paragraphs
21 I to K; after December 31, 2001 for employees identified in subsection 1, paragraph
22 L; after June 30, 2002 for employees identified in subsection 1, paragraph M; after
23 June 30, 2020 for employees identified in subsection 1, paragraphs N to P; ~~and~~
24 after September 30, 2021 for employees identified in subsection 1, paragraph Q;
25 and after September 30, 2023 for employees identified in subsection 1, paragraph
26 R or purchased by repayment of an earlier refund of accumulated contributions for
27 service after June 30, 1998 and before September 1, 2002 for employees identified
28 in subsection 1, paragraphs A and B; after June 30, 1998 for employees identified
29 in subsection 1, paragraphs C to H; after December 31, 1999 for employees
30 identified in subsection 1, paragraphs I to K; after December 31, 2001 for
31 employees identified in subsection 1, paragraph L; after June 30, 2002 for
32 employees identified in subsection 1, paragraph M; after June 30, 2020 for
33 employees identified in subsection 1, paragraphs N to P; ~~and~~ after September 30,
34 2021 for employees identified in subsection 1, paragraph Q; and after September
35 30, 2023 for employees identified in subsection 1, paragraph R in any one or a
36 combination of the capacities specified in subsection 1, or purchased by other than
37 the repayment of a refund and eligibility to make the purchase of the service credit,
38 including, but not limited to, service credit for military service, was achieved after
39 June 30, 1998 and before September 1, 2002 for employees identified in subsection
40 1, paragraphs A and B; after June 30, 1998 for employees identified in subsection
41 1, paragraphs C to H; after December 31, 1999 for employees identified in
42 subsection 1, paragraphs I to K; after December 31, 2001 for employees identified
43 in subsection 1, paragraph L; after June 30, 2002 for employees identified in
44 subsection 1, paragraph M; after June 30, 2020 for employees identified in
45 subsection 1, paragraphs N to P; ~~and~~ after September 30, 2021 for employees
46 identified in subsection 1, paragraph Q; and after September 30, 2023 for

1 employees identified in subsection 1, paragraph R must be computed under section
2 17852, subsection 1, paragraph A. If the member is qualified under subsection 2,
3 paragraph B and:

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

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

11 **Sec. 8. 5 MRSA §17851-A, sub-§4, ¶G** is enacted to read:

12 G. The service retirement benefit of a member to whom subsection 1, paragraph R
13 applies and who qualifies for service retirement benefits under subsection 2 must be
14 computed under section 17852, subsection 1, paragraph A on the basis of all of the
15 member's creditable service in the capacity specified in subsection 1, paragraph R,
16 regardless of when that creditable service was earned, except that for a member
17 qualifying under subsection 2, paragraph B:

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

21 (2) If the member had fewer than 10 years of creditable service on July 1, 1993,
22 the benefit must be reduced by 6% for each year that the member's age precedes
23 55 years of age.

24 **Sec. 9. 5 MRSA §17851-A, sub-§5**, as amended by PL 2021, c. 474, §10, is further
25 amended to read:

26 **5. Contributions.** Notwithstanding any other provision of subchapter 3 to the
27 contrary, after June 30, 1998 and before September 1, 2002 for employees identified in
28 subsection 1, paragraphs A and B; after June 30, 1998 for employees identified in
29 subsection 1, paragraphs C to H; after December 31, 1999 for employees identified in
30 subsection 1, paragraphs I to K; after December 31, 2001 for employees identified in
31 subsection 1, paragraph L; after June 30, 2002 for employees identified in subsection 1,
32 paragraph M; after June 30, 2020 for employees identified in subsection 1, paragraphs N
33 to P; ~~and~~ after September 30, 2021 for employees identified in subsection 1, paragraph Q;
34 and after September 30, 2023 for employees identified in subsection 1, paragraph R, a
35 member in the capacities specified in subsection 1 must contribute to the State Employee
36 and Teacher Retirement Program or have pick-up contributions made at the rate of 8.65%
37 of earnable compensation until the member has completed 25 years of creditable service as
38 provided in this section and at the rate of 7.65% thereafter.

39 **Sec. 10. Transition.** If an employee described in the Maine Revised Statutes, Title
40 5, section 17851-A, subsection 1, paragraph R who is employed on October 1, 2023 elects
41 to participate in the 1998 Special Plan of the Maine Public Employees Retirement System,
42 as provided in Title 5, section 17851-A, subsection 1, that employee must make that
43 election no later than December 31, 2023 and that employee's participation in the 1998
44 Special Plan becomes effective January 1, 2024.

SUMMARY

1
2
3
4
5

This bill adds employees employed on October 1, 2023 and hired thereafter who provide direct care to persons in need of mental health services in a community-based or residential setting or to residents or patients of mental health institutions in this State to the 1998 Special Plan for certain Maine Public Employees Retirement System members.

DATE: May 3, 2023

TO: Senator Michael Tipping, Chair
Representative Amy Roeder, Chair
Members, Joint Standing Committee on Labor and Housing

FROM: Kathy J. Morin, Director, Actuarial and Legislative Affairs

SUBJECT: Testimony on L.D. 1761 – An Act to Include Certain Mental Health Workers
Under the 1998 Special Plan for Retirement

Good afternoon, Senator Tipping, Representative Roeder, and members of the Joint Standing Committee on Labor and Housing. My name is Kathy Morin, and I am the Director of Actuarial and Legislative Affairs for the Maine Public Employees Retirement System.

MainePERS is neither for nor against L.D. 1761. We are here to provide information and offer any assistance the Committee might need regarding this bill.

State employees are covered by either a “regular plan” or a “special plan.” The majority of state employees are covered by the regular plan, which permits retirement after twenty-five years of service and/or attainment of normal retirement age of 60, 62 or 65. Special plans typically allow for retirement with fewer years of service and/or at a younger age. Because of the more favorable provisions of the special plans, they are more expensive to fund.

All employees in the Department of Health and Human Services are covered by the regular plan. L.D. 1761 would move certain employees, specifically direct care workers as defined in the bill, into the 1998 Special Plan effective October 1, 2023, and would apply retroactively to include all covered service in the special plan. Under this plan, participants become eligible to retire in one of two ways: 1) by accruing 25 years of service in a covered capacity; or 2) by accruing 10 years under the 1998 Special Plan and attaining age 55. Under the first provision, all service in a covered capacity is counted towards meeting the 25-year requirement while under the second provision, only service earned in a covered capacity after the date that a specific group is included in the plan is counted towards meeting the 10 year requirement.

This bill will have a fiscal impact because the Constitution does not allow the creation of new or additional benefits unless immediately and fully funded. New benefits are created under L.D. 1761 because covered employees would be able to retire earlier and with a higher benefit, and therefore would receive benefits in excess of those currently accounted for and funded, creating a new unfunded actuarial liability (UAL).

We have not yet estimated the costs associated with L.D. 1761. With guidance from the Committee, we will work with the department and the Office of Fiscal and Program Review to identify the individuals covered by this proposal and to determine the costs associated with changing the retirement plan coverage for this group of employees.

MainePERS has one concern about the way L.D. 1761 is drafted. Specifically, the bill as proposed permits impacted employees to elect whether to move into the new plan. Plan coverage elections in a qualified plan are not permitted by the Internal Revenue Service. MainePERS would recommend that in order to avoid a plan compliance issue, the bill be amended to move all employees in the covered positions into the new plan.

Thank you for your consideration of this testimony. I would be happy to answer your questions and will be available at your work session.