



**MainePERS**

PUBLIC EMPLOYEES RETIREMENT SYSTEM

# Board of Trustees

## Meeting Packet

July 14, 2022

**MainePERS Board of Trustees  
July 14, 2022  
139 Capitol Street, Augusta**

**AGENDA**

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9:00 a.m.		CALL TO ORDER		Brian Noyes
9:00 – 9:05 a.m.	1.	<u>CONSIDERATION OF CONSENT CALENDAR</u> <ul style="list-style-type: none"><li>Minutes of June 9, 2022</li><li>Decision, D.C. Appeal #2019-011</li></ul>	ACTION	Brian Noyes
9:05 – 9:20 a.m.	2.	<u>CEO REPORT</u> <ul style="list-style-type: none"><li>MainePERS DRAFT 5-year Strategic Plan</li></ul>		Dr. Rebecca M. Wyke
9:20 – 9:35 a.m.	3.	<u>PRIVATE MARKETS ACTIONS</u> <ul style="list-style-type: none"><li>Executive Session pursuant to 1 M.R.S. §405(6)(F); 5 M.R.S. §17057(4)</li></ul> <p><i>Board moves out of executive session.</i></p> <ul style="list-style-type: none"><li>AG Direct Lending Fund V</li><li>Stonepeak Core Fund</li></ul>	ACTION	Brian Noyes
9:35 – 9:50 a.m.	4.	<u>RISK DIVERSIFIERS ACTIONS</u> <ul style="list-style-type: none"><li>Risk Diversifiers Rebalancing</li><li>Risk Regime Investment Strategy</li></ul>	ACTION ACTION	James Bennett Zackery McGuire Stuart Cameron, Cambridge Assocs.
9:50 – 10:05 a.m.	5.	<u>INVESTMENT REVIEW</u> <ul style="list-style-type: none"><li>Investment Monthly Review</li></ul>		James Bennett Zackery McGuire Stuart Cameron, Cambridge Assocs.
10:05 – 10:15 a.m.	6.	<u>PRIVATE MARKETS REVIEW</u> <ul style="list-style-type: none"><li>Private Markets Activity</li></ul>		James Bennett Zackery McGuire
10:15 – 10:45 a.m.	7.	<u>ACTUARIAL</u> <ul style="list-style-type: none"><li>Rate Setting for State-Funded Plans FY24-25</li></ul>	ACTION	Gene Kalwarski Dr. Rebecca M. Wyke Kathy Morin
10:45 – 11:00 a.m.		<u>BREAK</u>		
11:00 – 11:45 a.m.	8.	<u>PROXY VOTING</u>		James Bennett Zackery McGuire Brianna Castro, Denise Mallet, Glass, Lewis & Co.

- |                    |     |   |                                 |
|--------------------|-----|---|---------------------------------|
| 11:45 – 12:00 p.m. | 9.  | <u>RULEMAKING</u>   | Brian Noyes<br>Michael Colleran |
|                    |     | <ul style="list-style-type: none"><li>• Public Hearing – Proposed Amendment to Rule Chapter 414</li><li>• Amendment to Rule Chapter 803</li></ul> | ACTION                          |
| 12:00 – 12:10 p.m. | 10. | <u>OPERATIONS AND MEMBER SERVICES REPORT</u>  | Michael Colleran<br>Chip Gavin  |
| 12:10 – 12:15 p.m. | 11. | <u>LITIGATION SUMMARY</u>   | Betsy Stivers                   |
| 12:15 p.m.         |     | <u>ADJOURNMENT</u>  | Brian Noyes                     |
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# MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

## Minutes

Board of Trustees  
Board Meeting  
June 9, 2022

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 June 9, 2022. Brian Noyes, Chair, presided. Other Trustees participating were Dick Metivier, Vice Chair; Henry Beck, State Treasurer; John Beliveau; Shirrin Blaisdell; Mark Brunton; John Kimball; and Ken Williams. Joining the Trustees were Dr. Rebecca M. Wyke, Chief Executive Officer; Michael Colleran, Chief Operating Officer and General Counsel; Chip Gavin, Chief Services Officer; Monica Gorman, Secretary to the Board of Trustees; and Betsy Stivers, Assistant Attorney General and Board Counsel. The Board also was joined for select portions of the meeting by James Bennett, Chief Investment Officer; Zackery McGuire, Deputy Chief Investment Officer; Brian McDonnell, Cambridge Associates; Tom Lynch and George Bumedder, Cliffwater; Ed Schwartz, ORG; Rebecca Grant, Director of Administration; Jim Dusch, Director of Member Services; Sherry Vandrell, Director of Finance; Kathy Morin, Director of Actuarial and Legislative Affairs; Joy Childs, Director of Information Technology; Valerie Scott, Director of Special Projects; Heidi Alley, Survivor Services Business Leader; Catherine Durand, Pension Associate II; and Hans Niederer, Accountant.*

Brian Noyes called the meeting to order at 9:00 a.m. Brian asked the guests at the meeting to introduce themselves.

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

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

- Minutes of May 12, 2022
- Action. Shirrin Blaisdell made the motion, seconded by Dick Metivier, to approve the Consent Calendar. Voted in the affirmative by eight Trustees (Beck, Beliveau, Blaisdell, Brunton, Kimball, Metivier, Noyes, and Williams).

### **CEO REPORT**

Dr. Rebecca Wyke introduced Chip Gavin as the new Chief Services Officer. She also introduced Joy Childs as the new Director of Information Technology. She shared that NEPC was awarded the contract to assist in development of our approach to implementing the divestment legislation. She shared the draft Mission and Vision Statements developed by Senior Management with input from staff and the draft organizational values developed by staff through their group representatives. She stated the draft Strategic Plan will be shared with stakeholders in June, and we will gather feedback using a survey tool and a public meeting. The Board will have an opportunity to review the plan in July to provide feedback with an anticipated approval at the August meeting.

The group representatives for staff, Heidi Alley, Catherine Durand, and Hans Neiderer, made a presentation to the Board on the draft organizational values. Dr. Wyke and the group representatives answered questions from the Board. On behalf of the Board, Brian Noyes thanked the group for their time and effort in this project.

### **PRIVATE MARKET ACTIONS**

- **Action.** Ken Williams made the motion, seconded by Mark Brunton, 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).

*Board moved out of executive session.*

#### **Thoma Bravo Discover Fund IV**

- **Action.** Dick Metivier made the motion, seconded by John Kimball, that MainePERS make a commitment of up to \$45 million to Thoma Bravo Discover Fund IV, subject to final due diligence, legal review and negotiations, and authorize the Chief Executive Officer, Chief Investment Officer, and General Counsel as signatories to execute documents in connection with this commitment. Voted unanimously by eight Trustees (Beck, Beliveau, Blaisdell, Brunton, Kimball, Metivier, Noyes, and Williams).

#### **Brookfield Infrastructure Debt Fund III**

- **Action.** Mark Brunton made the motion, seconded by John Kimball, that MainePERS make a commitment of up to \$100 million to Brookfield Infrastructure Debt Fund III, subject to final due diligence, legal review and negotiations, and authorize the Chief Executive Officer, Chief Investment Officer, and General Counsel as signatories to execute documents in connection with this commitment. Voted unanimously by eight Trustees (Beck, Beliveau, Blaisdell, Brunton, Kimball, Metivier, Noyes, and Williams).

#### **Pathlight Capital Fund III**

- **Action.** Shirrin Blaisdell made the motion, seconded by Mark Brunton, that MainePERS make a commitment of up to \$75 million to Pathlight Capital Fund III, subject to final due diligence, legal review and negotiations, and authorize the Chief Executive Officer, Chief Investment Officer, and General Counsel as signatories to execute documents in connection with this commitment. Voted unanimously by eight Trustees (Beliveau, Beck, Blaisdell, Brunton, Kimball, Metivier, Noyes, and Williams).

### **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 that the next manager meeting is scheduled for Tuesday, June 28, 2022, in Portland, with presentations by Angelo Gordon at 9:00 a.m., Hudson Bay Capital at 10:00 a.m., and Stonepeak Core Fund at 11:15 a.m.

### **Alternative Consultants Review**

Jim Bennett shared that the Investment Team completed a review of a number of firms providing alternative asset consulting services. Jim stated in the next few months they will move forward with an RFP.

## **INVESTMENT REVIEW**

### **Investment Monthly Review**

Jim Bennett reported that as of May 31<sup>st</sup>, the MainePERS fund had a preliminary market value of \$18.6 billion, the preliminary fund return for the month was 0.25%, and the preliminary fiscal year-to-date and calendar year-to-date returns were 5.0% and -2.4%, respectively. Jim noted that these returns are based on lagged private market values, and estimated that the unlagged fiscal year-to-date return was around 1% as of May 31, 2022.

## **RISK DIVERSIFIERS REVIEW**

Jim Bennett, Zack McGuire, and Brian McDonnell presented an overview of the risk diversifiers portfolio. They discussed the role, current strategies, portfolio construction and rebalancing considerations for risk diversifiers, as well as, plans moving forward for this segment of the portfolio. Jim shared that recommendations concerning strategy sizing and rebalancing will be brought to the Board for consideration in July.

## **RULEMAKING**

Brian Noyes reviewed the process for in-person and virtual attendees from the public to participate and comment during the public hearing on rulemaking.

### **Public Hearing on Proposed Amendments to Rule Chapter 803**

Michael Colleran summarized the proposed amendments of Rule 803 (plan provisions for the PLD Consolidated Plan), which would provide an additional 1% cost of living adjustment for the current year, correct erroneous cross-references, and remove obsolete language.

No members of the public commented.

Brian noted that written comments on the proposed amendments may be submitted by 4:00 p.m. on June 20, 2022.

## **MAINESTART QUARTERLY REVIEW**

Michael Colleran presented the MaineSTART Quarterly Review for the quarter ending March 31, 2022. Michael answered questions from the Trustees.



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# MAINEPERS

## BOARD OF TRUSTEES MEMORANDUM

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**TO:** BOARD MEMBERS  
**FROM:** MICHAEL J. COLLERAN, CHIEF OPERATING OFFICER AND  
GENERAL COUNSEL  
**SUBJECT:** STRATEGIC PLANNING  
**DATE:** JULY 6, 2022

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The Chief Executive Officer's Report for this month will include presentation of the draft MainePERS 5-Year Strategic Plan for the Board's review. A copy of the draft is included with this memo. Also included are the results of the stakeholder survey we conducted. Following receipt of Board feedback at this meeting, we anticipate recommending Board approval of a final version at the August meeting.

### **POLICY REFERENCE**

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

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

### **RECOMMENDATION**

*No Board action is required at this time.*



# MainePERS

PUBLIC EMPLOYEES RETIREMENT SYSTEM

## MainePERS 5-Year Strategic Plan

### Introduction

MainePERS is pleased to share this Strategic Plan adopted on **TBD**.

The Maine Public Employees Retirement System (MainePERS) is an incorporated public instrumentality of the state governed by a Board of Trustees pursuant to Maine law. Since 1942, MainePERS has joined with public employers to help their employees prepare for retirement. The System's active contributing members include teachers, state, county, and municipal employees, legislators, judges, and others. Upon retirement, our members receive monthly benefits from their respective defined benefit plans. The System also administers disability retirement, group life insurance, survivor services, and a tax-deferred retirement savings program known as MaineSTART. Management of these programs includes financial and investment administration, recordkeeping of members' work and compensation data, and administration of retirement and related services.

In the fall of 2021, the newly appointed Chief Executive Officer engaged in a series of discussions with a broad spectrum of stakeholders to assess their experience with MainePERS. The knowledge gained through these meetings laid the groundwork for the development of a strategic plan. In December 2021, the Board of Trustees adopted a set of Goals and Objectives to guide the strategic planning process and create a framework for the Plan.

The process of developing the mission, vision, and organizational values engaged all MainePERS employees through multiple all-staff meetings, two rounds of small group meetings, and two employee surveys. A set of strategic outcomes was developed and the resulting draft Strategic Plan was posted on the MainePERS website along with a survey tool. Members, employers, and stakeholders were invited to comment on the plan through the survey tool, a public comment meeting, and individual meetings.

As used in this Plan: "*members*" is inclusive of active contributing members, inactive members, retired members, and beneficiaries; "*stakeholders*" is inclusive of representatives of participant employers and groups representing members; and "*retirement*" or "*retirement and related services*" is inclusive of all programs administered by MainePERS, including the defined benefit plans, disability retirement, group life insurance, survivor services, and MaineSTART.

In all 113 responses to the survey were received. The majority of respondents expressed support, and the feedback received was used to shape the final version of the Plan.

## Goals and Objectives

### Goals *(ongoing, long-term strategic direction)*

- Preservation of the Trust Fund
- Stability of the contribution rates
- Security and integrity of our information systems
- Cultivation of a member-centric organization
- Development of stakeholder relations
- Foster an engaged workforce that advances the organization's mission

### Objectives *(short-term legislatively directed)*

- Planning for the post-2028 full funding of the Unfunded Actuarial Liability (UAL), including potential public pension plan options that include social security *Resolves 2021, c. 66 & 72*
- Responding to the recent divestment legislation *PL 2021, c. 231 & 234*
- Expanding the availability of defined contribution plans to teachers *PL 2021, c. 548*
- Exploring mandatory long-term disability insurance coverage *PL 2021, c. 277*

## Mission and Vision Statements

### Mission

MainePERS partners with public employers to deliver retirement and related services.

### Vision

MainePERS is a trusted and effective fiduciary focused on meeting the needs of active and retired members, beneficiaries, and employers.

## Organizational Values

- **Accountability** – We act with integrity. We educate, equip, and empower all to consistently deliver knowledgeable and respectful service to our constituents and colleagues.
- **Respect** – We are mindful of culture and diversity in all we do, exercising empathy, compassion, kindness, and appreciation in valuing all others.
- **Collaboration** – We work together, proactively sharing information and knowledge and acting transparently in all interactions.
- **Stewardship** – We secure and safeguard assets (data, funds) entrusted to our care and consistently comply with our obligations to ensure benefits are sustained.
- **Agility** – We strive for personal and organizational excellence through continuous improvement.

## Strategic Objectives

### Goal I: Preservation of the Trust Fund

#### Strategic Objectives:

- A. Continuously review governance and risk management practices that drive accountability, consistency, and transparency and engage trustees in annual fiduciary education
- B. Continuously review the strategic asset allocation to optimize earnings, manage risk, and ensure sufficient liquidity
- C. Plan for post-2028 full funding of the 1996 State Employee and Teacher Plan UAL and engage with stakeholders
- D. Develop policy to address the recent divestment legislation in accordance with sound investment criteria and consistent with fiduciary obligations
- E. Exercise efficient use of resources in the administration of the retirement plans and related services

### Goal II: Stability of the Contribution Rates

#### Strategic Objectives:

- A. Employ periodic experience studies and annual actuarial valuations to identify the trust fund's future financial needs
- B. Apply sound actuarial methods to promote stability of the contribution rates
- C. Ensure employers and other stakeholders are informed of funding trends

### Goal III: Security and Integrity of our Information Systems

#### Strategic Objectives:

- A. Ensure the cybersecurity management program meets current and future needs
- B. Maintain and upgrade core information systems
- C. Explore a cloud strategy to host information systems

### Goal IV: Cultivation of a Member-centric Organization

#### Strategic Objectives:

- A. Develop a comprehensive member education, communications, and service model that supports planning for retirement security
- B. Improve processes to promote timely and accurate service by ensuring the integrity of the data, streamlining and automating workflow processes, and reducing processing times
- C. Document workflow policies, practices, and procedures and develop staff training programs
- D. Institute a quality assurance and control program
- E. Implement a member self-service portal, including access to annual member statements
- F. Expand the availability of defined contribution plans (MaineSTART)
- G. Assess the experience of the system and its members following the implementation of the new disability legislation
- H. Seek member input and measure satisfaction

## **Goal V: Development of Stakeholder Relations**

### Strategic Objectives:

- A. Provide legislators, employers, and other stakeholders with information on defined benefit retirement plans and related services
- B. Continue to explore with stakeholders potential post-2028 pension plan options that enhance benefit portability, including Social Security participation
- C. Engage stakeholders to develop an implementation plan for providing mandatory long-term disability insurance coverage to members through their employers
- D. Develop a comprehensive employer education, communications, and service model and partner with employers and third-party payroll vendors to streamline processing and improve reporting
- E. Seek employer input and measure satisfaction

## **Goal VI: Foster an Engaged Workforce that Advances the Organization's Mission**

### Strategic Objectives:

- A. Institutionalize the Organizational Values developed by the staff
- B. Develop an onboarding, training, and development plan
- C. Support and empower staff in the performance of their work
- D. Create a staff working group to advance a positive organizational culture
- E. Implement strategic performance management
- F. Increase awareness and knowledge related to diversity, equity, and inclusion (DEI)
- G. Develop and maintain a succession plan

## **Key Performance and Risk Measures**

MainePERS is committed to measuring its progress on the Strategic Plan by utilizing the key performance and risk measures developed by the National Conference on Public Employee Retirement Systems in its publication *Best Governance Practices for Public Retirement Systems* (revised May 2019).

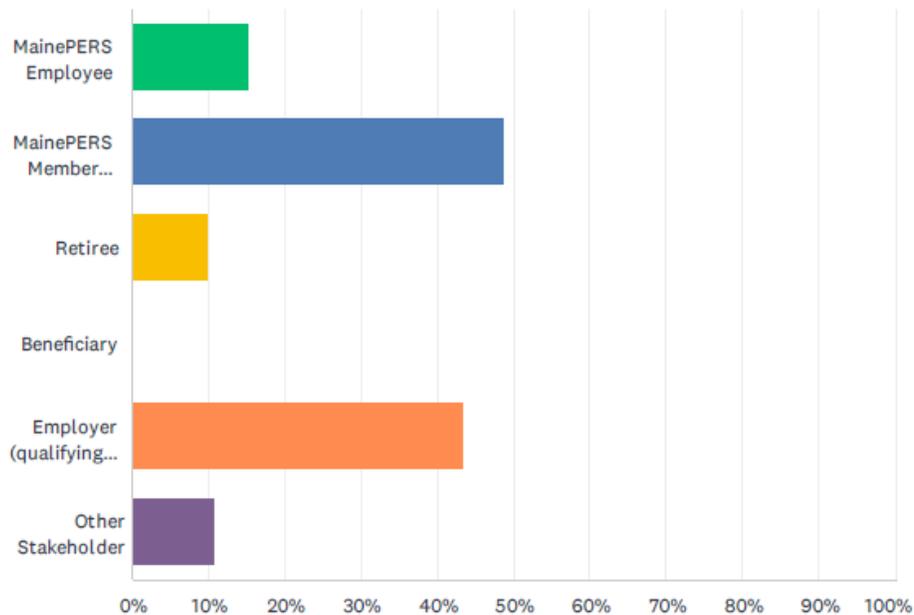
- I. The funded ratio as measured by the ratio of fund assets to fund liabilities
- II. Net annualized investment returns relative to the return assumption and benchmarks
- III. Timeliness and accuracy of distributions paid to members and beneficiaries
- IV. Member satisfaction with fund services as measured by surveys and correspondence
- V. Future benefits owed to members as measured by the actuarial accrued liability
- VI. Net assets available for benefits and changes as reported in the annual audit

**Survey Results: DRAFT 5-Year Strategic Plan  
June 13 to June 24, 2022**

This document provides the summary graphics of data from the fixed answer survey questions along with respondent comments displayed in the order received. The numbering sequence follows the respondent’s comments for each question. The appendix includes written comments that were submitted through email.

**Q1 What is your relationship to MainePERS? Please select all that apply.**

Answered: 113 Skipped: 0



ANSWER CHOICES	RESPONSES	
MainePERS Employee	15.04%	17
MainePERS Member (employee actively working for a qualifying employer)	48.67%	55
Retiree	9.73%	11
Beneficiary	0.00%	0
Employer (qualifying MainePERS employer)	43.36%	49
Other Stakeholder	10.62%	12
<b>Total Respondents: 113</b>		

**1. What is your relationship to MainePERS? Please select all that apply and Stakeholder identification**

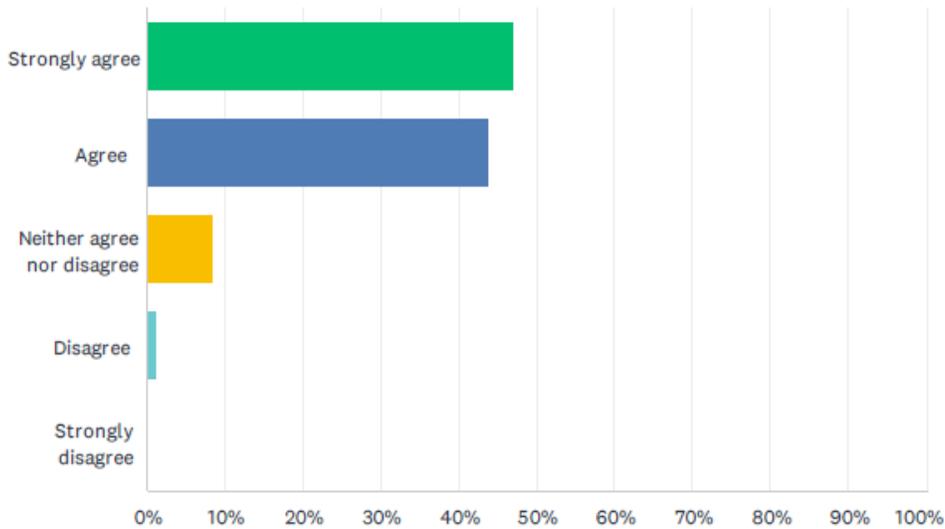
Response #	Q1. What is your relationship to MainePERS? Please select all that apply.	If Other Stakeholder, please specify
1	MainePERS Employee	
2	Other Stakeholder	HR Coordinator for employer
3	MainePERS Member; Employer	
4	Employer	
5	MainePERS Member	
6	Employer	
7	MainePERS Member; Employer	
8	MainePERS Member; Employer	
9	Retiree	
10	Retiree; Employer	
11	MainePERS Member; Employer	
12	MainePERS Employee; MainePERS Member	
13	MainePERS Member; Employer	
14	Employer	
15	Retiree	
16	Other Stakeholder	labor representative
17	Employer	
18	Retiree	
19	MainePERS Member	
20	MainePERS Member	
21	Other Stakeholder	President of an organization that represents MEA-Retired interests
22	Employer	
23	Other Stakeholder	Appointed
24	Employer	
25	MainePERS Member; Employer	
26	MainePERS Employee; MainePERS Member	
27	MainePERS Member	
28	MainePERS Member	
29	MainePERS Member	
30	MainePERS Member	
31	Employer	
32	Retiree	
33	Employer	
34	Employer	
35	Employer	
36	MainePERS Member	
37	Retiree	
38	MainePERS Member	
39	MainePERS Member	
40	MainePERS Member	
41	Employer	
42	Other Stakeholder	Family member of a disabled retiree
43	MainePERS Member	
44	Employer	
45	Employer	
46	MainePERS Member; Employer	
47	MainePERS Employee	
48	MainePERS Member; Employer	
49	Employer	
50	Employer	

51	Employer	
52	MainePERS Member	
53	Employer	
54	Employer	
55	MainePERS Member	
56	MainePERS Employee; MainePERS Member; Other Stakeholder	Soon to be a Retiree!
57	Employer	
58	Employer	
59	MainePERS Employee; MainePERS Member; Employer	
60	MainePERS Member; Employer	
61	Retiree; Other Stakeholder	Labor Representative
62	Employer	
63	MainePERS Employee	
64	Employer	
65	Employer	
66	Employer	
67	Employer	
68	MainePERS Employee; MainePERS Member	
69	MainePERS Member	
70	MainePERS Member	
71	MainePERS Member	
72	MainePERS Member; Employer	
73	MainePERS Employee; MainePERS Member	
74	Retiree	
75	MainePERS Member	
76	MainePERS Member; Employer	
77	MainePERS Member	
78	Retiree	Non-profit Organization for MainePERS retirees
79	MainePERS Member; Employer	
80	MainePERS Member	
81	Retiree	
82	MainePERS Member; Employer	
83	MainePERS Member	
84	Employer	
85	MainePERS Member	
86	MainePERS Member	
87	Employer	
88	MainePERS Member; Employer	
89	Employer	
90	Employer	
91	MainePERS Member; Employer	
92	MainePERS Member	
93	MainePERS Member	
94	MainePERS Member	
95	MainePERS Employee	
96	MainePERS Employee; MainePERS Member	
97	Other Stakeholder	
98	Other Stakeholder	Spouse of a disabled MainePERS retiree
99	Employer	
100	Employer	
101	MainePERS Member; Employer	
102	MainePERS Employee	

103	MainePERS Employee	
104	Other Stakeholder	MSEA-SEIU Local 1989 Retiree Steering Committee
105	MainePERS Member	
106	Retiree	
107	MainePERS Member	
108	MainePERS Member; Employer	Represent an employer and an I am a member
109	Employer	
110	Other Stakeholder	Union Leader - President of PFFMaine
111	MainePERS Employee	
112	MainePERS Member; Employer	
113	MainePERS Employee; MainePERS Member	

**Q3 The Mission and Vision statement above reflect my expectation of MainePERS.**

Answered: 96 Skipped: 17

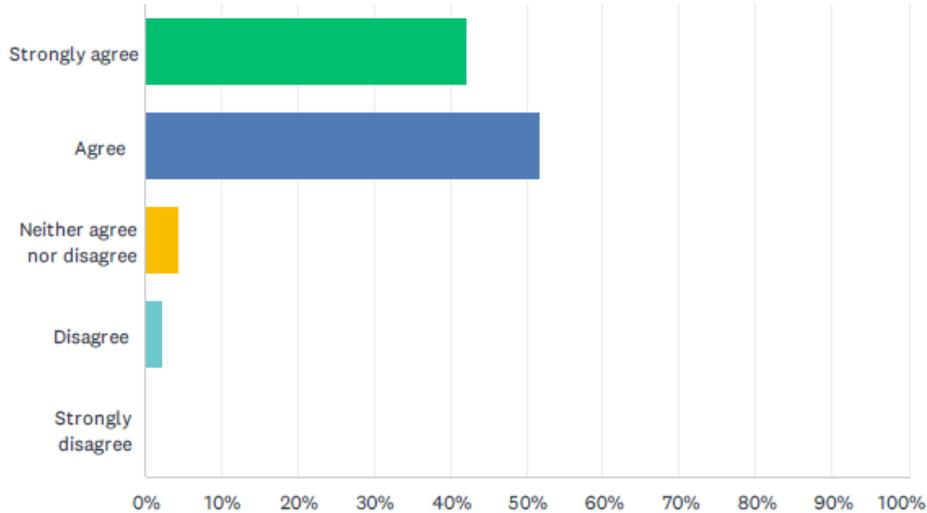


ANSWER CHOICES	RESPONSES	
Strongly agree	46.88%	45
Agree	43.75%	42
Neither agree nor disagree	8.33%	8
Disagree	1.04%	1
Strongly disagree	0.00%	0
Total Respondents: 96		

Response # *	Q3: Please share any comments or feedback on the Mission and Vision statements:
12	Mission: suggested change to "...retirement and retirement-related services" to be more clear in what 'related services' are.
13	Key to this will be the continued long-term benefits to Maine's retirees, including advocacy politically for the promises made (inherent) in the system. This is a strong program with a strong history and political meddling from any group would be a problem (overfund, or underfund...).
21	Partners is the key word. That means employers and employees work together. Correct?
24	I have not found the organization as a whole to place much emphasis on meeting the needs of employers. While personal interactions with your staff are on the whole fantastic, the setup of the organization is antagonistic and at times hostile and oblivious to the needs of an employer.
30	The Maine Retirement System has been a good steward of the pension system.
36	Good, clear mission and vision.
74	Mission Statement seems to be more a statement of fact rather than a mission. My idea of the mission: The mission of MainePERS is to create and preserve a trust fund sufficient to ensure members that benefits will be available upon retirement. Vision Statement. Just a matter of semantics. MainePERS as a trusted, etc.
76	Need to be aware of different Organizations in the system's needs. The outside crews have abused their bodies for the job and need to be able to retire before 65 but are not disabled so cant
78	The Mission should be broaden to include members, MainePERS retirees and beneficiaries.
88	I like the vision statement. The mission statement doesn't seem to reflect the critical role MainePERS plays in the well-being of retirees.
98	The Mission and Vision statements echo past agency statements such as found in the MainePERS 2017 Strategic Planning Projects list and on page 11 of the January 23-27, 2017, Disability Retirement Intake & Application Kaizen, which also echoes with "Guiding Principles" referencing "trust," "integrity," apply "standards = laws and policies," "providing the right information," etc. On the ground, operationally, they are not measured. Progress reports not issued. Issues raised are ignored or denied unilaterally.
104	No Comments
108	I think that the mission statement could be loftier. Maine Pers partners with public employers to help our members build retirement security. (something like that)
* Only respondents submitting comment in response to this question are included	

### Q5 The Organizational Values stated above reflect my expectations of MainePERS.

Answered: 95 Skipped: 18



ANSWER CHOICES	RESPONSES	
Strongly agree	42.11%	40
Agree	51.58%	49
Neither agree nor disagree	4.21%	4
Disagree	2.11%	2
Strongly disagree	0.00%	0
<b>TOTAL</b>		<b>95</b>

### Q6. Please share any comments or feedback on the Organizational Values

Response # *	Please share any comments or feedback on the Organizational Values:
1	I think they are representative of many of our current values, but also include some which we can strive towards. I like them.
13	Values are strong. Same comments as above.
15	Focus on pensions, not politically correct commentary.
18	Doesn't MainePERS also advocate for improvements to benefits for active and retired members with State and Federal legislative bodies, or is the organization neutral?
24	Much as the weather in Maine, if you wait a minute it will change. So is our expectation of MainePERS, ask tomorrow and you'll get a different answer. Education offered to Employers is slim to none.
41	The only comment I have is that the value of "agility" is not really compatible with the sentence following it. Agility is to move quickly or easily or to think and understand quickly. Neither of those definitions has deals with striving for excellence through continuous improvement. I suggest that either a different value or different tag line be determined so that they are congruent and, thus, the value is more clear and meaningful.
53	Need to collaborate with users of the Employer portal when planning updates to the software.
63	Maybe use members vs. constituents?

81	In regards to #2 Respect: Since you already have the word respect as a heading you could consider this change - Instead of "we respect individuals" it could read, We strive to understand and accept all individuals.
88	The description of agility doesn't match the word. Agility would seem to be necessary with the frequent changes to investment opportunities. Continuous improvement is also essential but I don't think continuous improvement equals agility.
98	As mentioned above, similar aspirational statements have been made by the agency for years, yet the employees demonstrate with impunity that their procedures and decision making are not deserving of trust or confidence. Wanton actions impacting the rights of members go unchecked by the legal department. Our family's MainePERS experience over four- and one-half years so far has demonstrated that the appeals and disability employees and the five levels of attorneys who oversee the work do not act with honesty, integrity, or transparency. Moreover, when issues are brought forward to the Board of Trustees through rulemaking, the Board of Trustees are non-responsive, and employees are not held accountable for their unlawful actions managing the cases of ill and disabled members. In fact, just a month before my husband's December 2017 application was approved by the Disability Specialist in September 2018 on trumped-up findings complete with a clandestine, yet written, plan to discontinue the benefit months later, Maine Superior Court Justice Mikayla Murphy ruled in the Terrence Marks v MainePERS case that the agency was abusing its discretion. The Board Counsel, General Counsel, Deputy Executive Director (now Director of Member Services), System Representative, and Hearing Officers that we dealt with are all attorneys, yet these attorneys demonstrably are not fulfilling their ethical and specific job responsibilities to ensure MainePERS employees follow transparent procedures which comply with our state and federal laws. How will the stated Organizational Values translate into specific measures to ensure the agency's procedures comply with state and federal laws? I have presented numerous examples in my husband's case to both MainePERS and the Legislature which must be addressed. I have requested the agency engage in Consensus-Based Rulemaking to redeploy the responsibilities of the now defunct MainePERS Medical Board. The answer from MainePERS Board of Trustees has been silence. Nothing to see here.
104	No Comments
108	I think they are well written but the word agility conjures up visuals other than what you are trying to convey.
111	The values make me proud to be part of such an organization
113	What is being done to protect employee investments during this national financial crisis, apres covid and Russia / Ukraine wars?
<i>* Only respondents submitting comment in response to this question are included</i>	

**Q7. Please provide your feedback on any parts of the MainePERS Strategic Plan. (If you are recommending specific language changes, please identify the section you are referencing.)**

Response # *	Please provide your feedback on any parts of the MainePERS Strategic Plan. (If you are recommending specific language changes, please identify the section you are referencing.)
12	Perhaps include an explanation for why a mandatory long-term disability plan is necessary; I don't clearly see the direct relationship between providing a retirement and/or life insurance benefit to providing a long term disability benefit. Seems like mission creep.
13	I like it - simplicity.
16	I have concerns about two elements of the strategic plan. First, I am concerned that in at least two places MainePers is advocating for a new pension system that is Social Security based. For example, this is listed as an objective at the bottom of page 1, but I have a bit of discomfort seeing MainePers advocate for a different pension system, especially when every effort we have completed in this regard over the past 10 years has resulted in a model plan that is more expensive with less benefits compared to our current plan. Instead of focusing on the move to a new plan, I wonder if MainePers and its members would be better served to focus its attention on providing a secure retirement benefit that provides portability for short term eligible public employees while providing a retirement benefit they can rely on for career public servants. I am concerned the focus has changed to plan redesign rather than having a plan that provides necessary and stable retirement benefits for workers. Second, in a few

	places the strategic plan mentions the need to develop a plan for long term disability. I want to +1 this statement. This past session we were successful in passing major changes to the disability plan, but the fundamental issues remain and without action we could see the same or similar issues arise again with our current system. A mandatory long term disability system is critical and will help solve problems. Happy to talk more about either issue if I can be helpful.
21	N/A at this time
29	I think the issue of collecting social security upon retirement in addition to school retirement should be allowed if one has put the time in to qualify for both.
36	Good investment strategic is key, along with protecting the defined benefit plan. Not sure what "member-centric" would look like, but if it improves the ability to get more information about retirement, that would be welcome.
41	See #6 above.
53	Monthly billing is limited to PDF versus Excel for financial reconciliations. Would like to see a summary billing (July through June.) Please update software so I'm not rounding pennies each month for the Group Life billing report.
74	It would be helpful to explain what is meant by the term "stakeholder" and by the term "member." Since by statute "member" does not include retirees, perhaps "member" should be defined as including active and retired Maine public service employees and beneficiaries. For example, Goal IV, E and G. Member and retiree and beneficiaries' self-service portal. Stakeholders, members, retirees and beneficiaries. Goal V, same concern. Key Performance and Risk Measures, V. future benefits owed to members, retirees and beneficiaries.
78	Throughout the plan, the term member is used. This need to be defined and retirees and beneficiaries need to be including in all objectives and activities.
79	You asked for my opinion....I typically don't do this but..... Mission -The "and related services" is weak. Try taking out, just state "retirement related services". Everything MEPers does is around retirement Vision - There are too many "ands". Try-Continuously be a trusted, effective fiduciary focused organization, which meets the needs of all members. MainePERS only works for members regardless of member status, retire active disabled. The accountability statement needs to be redone, it talks about services not how MEpers will be accountable to members. Where is trust, transparency and responsibility? The respect statement need a rewording, Try - We are mindful of individual cultures and diversity in all we do by exercising empathy, respect, compassion and kindness for everyone. This covers members and employees The Collaboration statement - take some of the wording from the accountability statement, which talks about service delivery.
93	I would be glad to see these statements come to fruition. MEPERS is struggling SIGNIFICANTLY to meet these expectations. There is little to no transparency, there is even less consistency and there appears to be no accountability to the MEPERS members.
96	Bullet list of goals only includes 5, but the expanded descriptions later in the document shows 6 goals. Goal 6, Foster an engaged Workforce, isn't included in the list on page 1. It needs to be.
98	No goals or objectives are mentioned for the appeals program and the only mention of the disability program FOR THE NEXT FIVE YEARS are, first, to include in the regular, Annual Report to the Legislature of the member experience after eliminating the MainePERS Medical Board and hiring UMASS in August 2020. However, disbanding the Medical Board addresses only the tip of the iceberg of the ethical and legal issues with the procedures of MainePERS disability and appeals programs. Second, according to the Draft Strategic Plan, considering all the issues I have brought forward, all MainePERS will do over the next 5 years about the disability program is what they have done since spring 2016 when LD 1463 became law? MainePERS is going to keep "exploring" requiring employers and employees to purchase additional disability coverage?? This Long Term Disability insurance "idea" became law and has served as a distraction—exactly as MainePERS Disability Task Force member and General Counsel for Maine Education Association, Andrew Mason, foresaw in January 2016 when he testified on LD 1463 (127th) "An Act ... To Direct the Board of Trustees of the Maine Public Employees Retirement System To Explore the Feasibility of Offering Long-term Disability Insurance Coverage." Mr. Mason said, in part, "We are concerned with the fact that this proposal [LTD insurance] did not come from the Disability Task Force as a recommendation and fear that, if approved, it has the potential to be pointed to as a solution that could curtail further evaluation of MainePERS by the Task Force. MainePERS convened this task force with varying stakeholders and still no recommendations have come forth." Looking back from 2022, Mr. Mason predicted exactly what happened. The result was more years of pain and suffering to real people, members of MainePERS, at the hands of

	unethical MainePERS employees while the MainePERS legal department and Board of Trustees look the other way and outsource policymaking to Hearing Officers.
104	Goal I.C: Need to ensure that money stays within the State and Teacher pension system. Goal III.C: Concerns expressed with regards to security of cloud-based system. Goal IV.E: Hopeful that this will reduce delay in providing retirees final pension benefit, upon retirement. Goal V.E: Significant concerns about the possibility of switching to a Social Security based system, such as increased costs to employers, Social Security system is "means " to lower wage workers, etc.
111	I feel the goals are very focused and well thought out, and I believe we will achieve all objectives. The goals, collectively and individually, encompass our mission and vision; and I do believe fostering an engaged workforce is key to our success.
* Only respondents submitting comment in response to this question are included	

**Q8. Please provide your feedback on any part of the MainePERS Strategic Plan**

Response # *	Please provide your feedback on any part of the MainePERS strategic plan:
13	I like it. Simplicity.
16	I think I provided the feedback in the previous question.
20	I agree more education for employers and employees to understand MEPERS and importance of saving
21	What happened to the defined benefit plan?
24	There has been no recognition or allowance for the fact that since Employer Self Service was implemented, ALL of the work for onboarding has shifted to the districts. You have increased our workload significantly over the years, but as you can imagine none of the towns have increased or staffing to allow for this. I understand why you did it, but there has been no support or acknowledgement of this. And your expectations for timeliness are aggravating, and at times offensive. You are set up to be completely oblivious to our workloads, and the way you have added to it.
33	No offense to everything you guys are doing. All I'm worried about when it comes to my retirement program is that it's there when I need it and then it will support me the rest of my life
40	I am a relatively new employee in Maine and I don't know how MainePERS works. Not anybody's fault really. We don't do a good job if outlining retirement benefits for Social Security either.
41	Overall, it is clear and hits the main aspects that an employer would want to see from its pension provider.
48	Good to see a Strategic Plan in place
56	The current text is good but I would like to see a greater effort on communication and written resources on the rules of the plan. When we must cull through newsletters for reminders on the latest rule changes it is difficult - a better developed knowledge base for employers would be extremely helpful. The ESS focus is on process - not rules. There have been occasions when I have made repeated calls for clarification and received entirely different responses from Maine PERS staff on correct rule interpretation.
74	See above.
78	Throughout the plan, the term stakeholder is used without definition. Stakeholders need to include retirees, beneficiaries and organizations representing these individuals.
79	I think the plan is a good foundation for moving forward.
98	The Draft Strategic Plan states that MainePERS "engaged in a series of discussions with a broad spectrum of stakeholders to assess their experience with MainePERS." Who was invited? Who participated? When and where did these discussions take place? I have asked many times to be added to the list of MainePERS stakeholders.
103	Within "Goal VI: Foster an Engaged Workforce that Advances the Organization's Objectives" these overall read as top-down efforts (even though probably not meant that way). I think it's important to regularly keep eliciting ideas and feedback from staff within each unit and department. To make listening part of the culture, and feed improvements using bottom-up experiences and input.
108	I am excited about a client portal.
111	I would very much enjoy being a part of a staff working group to advance positive organizational culture.
* Only respondents submitting comment in response to this question are included	

**Q9. Is there any other issue or initiative that you would suggest be included in the plan?**

Response # *	Is there any other issue or initiative that you would suggest be included in the plan?
1	Everything is well covered.
13	Yes - I believe there are cost-cutting measures that could be made that are similar to what we've done at schools. Color printing, mailings (move to digital), etc. Where I wouldn't cut is customer service, as it's such a pivotal time when an employee retires, or needs assistance while retired.
18	Improve the clarity and timeliness of legislative reporting on legislative bills that have any effect on or changes to MainePERS programs and benefits for active and retired members.
21	Is Maine PER's phasing out the defined benefits?
24	We need an employee import function, to onboard and terminate new staff. One at a time is laughably time consuming. Employees need to be able to directly report beneficiaries and acknowledge the windfall elimination provision. We need constant trainings. Staff turnover at the district level provided with minimal training from MainePers leads to many mistakes. We just discovered that because we are all self-training our replacements we have been addressing coaches incorrectly for 20 years. Workshops. Peer Review. Anything would be better than nothing. I have been so fortunate with my support person at MainePers, but she has left and I can feel the hole already. We shouldn't be dependent on the individual personality and work ethics of your staff to receive good information, you should have better systems in place.
29	I think the issue of collecting social security upon retirement in addition to school retirement should be allowed if one has put the time in to qualify for both.
30	I hope the Trustees will protect the defined benefit program which many of us are counting on for retirement.
40	One page explanation of what you do for Maine public employees.
41	No.
48	No
56	See above.
57	No
60	None
74	There is no mention of life insurance.
78	Under Objective, the planning for "potential public plan options" need to include other options not just social security. Goal IV, G. Needs to expand stakeholders experience in all of the MainePERS programs not just disability. Throughout the plan, references do not include group life insurance, survivor services and tax-deferred retirement savings programs.
87	Allow term dates that are past the current date. Allow uploads of files prior to the last payroll date. Both would alleviate having to table/wait until later to get the tasks done and would most likely result in more timely filing of information that MainePERS needs... Ex: retirees & terminated ee's (employees)...
96	We need to have a much more thorough editing process before putting documents out to the public. Page 1 of this survey has a typo in it that shouldn't make it through the editing process. Qualifying MaineEPRS employer is an option to select as how someone taking this survey is associated with us.....
98	The plan lacks measurable outcomes specific to addressing the many issues with the procedures of the disability and appeals programs. How will the Organizational Values translate into specific measures to ensure the disability and appeals program procedures and employees comply with state and federal laws? How does this Strategic Plan relate to the work plan of the Director of Special Projects who "assists in analyzing organizational and division performance of System goals" and "Plans, implements and evaluates strategic and work projects ensuring consistency with System strategy and goals." ?
108	Overall, i think it is well done, concise and understandable.
113	Assurance that our retirement contributions are secure and will be available when we are ready to retire.
* Only respondents submitting comment in response to this question are included	

**Q10. Please share any other comments or feedback**

Response # *	Please share any other comments or feedback:
5	Provide quarterly, semi-annual or annual statements that tell members the amount of money and/or potential pension they might receive. This would make retirement planning much easier. I've never seen a company not provide statements to its employees. It's almost like it's hidden from employees on purpose.
11	On a different topic. I think the 20 year retirement should only be available for first responders after age 55 or 60. Now that the retire-rehire option is in place I see the potential for departments to become all rehire personnel - I would think that would negatively affect MPERS in the long run. I think MPERS is a great benefit and asset to our ability to hire so I want it to be around forever!
12	Clearly a very thoughtful and comprehensive plan!
13	Thanks for the opportunity to provide feedback.
17	OTHER TOPIC: You have put all the work on the employer which has increased our work load which MEPERS used to do. I feel like we are doing your work for you.
30	More information about retirement benefits on a regular basis would be helpful in knowing what to expect and planning.
33	Please make sure that this program is still affordable and not taking away from my income now but still builds towards my future in the best way possible for my retirement.
36	Thank you for asking for comments.
40	Thanks for being prudent and embracing the full humanity of your employees.
41	Thanks for giving us the opportunity to review the draft plan and provide feedback.
53	When a member's status change (i.e. no prior bases to bases), employers should be notified or able to access a data base.
63	Great job by everyone. Thank you for including staff in this process.
74	Excellent initiative, strategic planning essential for effective organization. As noted in June Board of Trustees meeting, it is important that many ways and means be developed and made available for members, retirees and beneficiaries to learn about the work of MainePERS.
78	This is an excellent beginning to this process and commend MainePERS for the effort. MAR is ready and willing to participate in any way possible to assist MainePERS in their efforts.
81	Nicely done! Clearly a lot of time and thought was put into your process. Very thorough, clear and concise. So much content yet simple to read through and understand. You've used wording that gives many level of readers a clear understanding of your strategic plan. Thank you
87	I have been working with MainePERS for over 20 years and have always been impressed with the level of service that your technicians provide when called or emailed... Keep up the good work!
96	Really appreciate the effort and work done so far to include everyone in this process and hope we can continue to make improvements.
98	MainePERS must address the many issues with agency procedures through a transparent, public process.
104	More detailed notes from the meeting participants will be emailed.
111	Some of the recent perks I believe have made a difference in our culture (i.e., complimentary coffee/cream in the kitchen, lands' end store [for purchase of a MainePERS branded collared work shirt], whoopie pies, debit cards for medical reimbursements, coloring book on the wall by the kitchen) are much appreciated.
* Only respondents submitting comment in response to this question are included	

**Appendix 1: MainePERS Draft Strategic Plan Feedback Provided By MSEA-SEIU, Local 1989 Retirees Steering Committee****MSEA-SEIU, LOCAL 1989  
RETIREES STEERING COMMITTEE ZOOM MEETING  
June 22, 2022**

Meeting called to order by Ginette Rivard, Chair @ 10:01 AM.

**Members present:**

Ginette Rivard, Steve Butterfield, Bob Ruhlin, Peggy Rice, Penny Whitney-Asdourian, Mary Peabody, Ray Dzialo, Ben Conant and Calvin Hall.

The purpose of this special meeting is to review the materials provided by MainePERS on the Systems 5-Year Strategic Plan.

**Draft Mission Statement:**

No comments

**Draft Organizational Values:**

Mostly about the internal MAINEPERS staff. No comments.

**Draft Strategic Objectives:**

Preservation of the Trust Fund:

Steve noted that Item C in this objective will be about the pot of money that will become available once we have fulfilled the requirements of the 1996 Unfunded Actuarial Liability. We need to make certain that money stays within the State and Teacher pension system. This will take place near the end of the next Governor's term.

**Stability of Contribution Rates:**

Some discussion about coordinating with MainePERS and the other public sector unions about 2028 and paying off the 1996 UAL. There have also been discussions about shifting to a Social Security-based system. If that happens there would be a "soft close" of the current pension plan which would put all new employees in the Social Security based system and no new hire payroll contributions would be going into the current pension plan. That will mean we need to get additional funding to sustain the demand on the pension plan for current participants ongoing benefits.

**Security and Integrity of our Information Systems:**

This is an internal MainePERS issue about how they protect and store the data.

**Cultivation of Member-centric Organization:**

Again, this is mostly an internal staff issue. Very positive they want to develop a comprehensive customer communication and service model. This should reduce the period (currently about 6 months) that a pension recipient actually gets verification of the final pension benefit. Several questions about the proposed member self-service portal mentioned in Item E. regarding how it would function and provide results.

**Development of Stakeholder Relations:**

Talked about Social Security and how that can get impacted by acts of Congress. Steve noted previous conversations about moving to a Social Security based plan have centered on increased costs to the State based on Social Security employer contributions. Some discussion about State using the pot of funds that becomes available once the 1996 UAL is paid off in 2028 to transition to the Social Security based plan. Steve also noted that the Social Security System is “means weighted” to provide higher benefits for lower wage career State workers versus the higher wage career State workers and participants would potentially make less under the Social Security based plan as compared to the current plan. Are there options that could keep this from occurring?

**Foster an Engaged Workforce that Advances the Organization’s Objectives:**

Much of this is internal staff issues. No comments.

**Draft Key Performance and Risk Measures:**

No comments.

**NEXT REGULAR MEETING WEDNESDAY, JULY 27, 2022 AT 10:00 AM via Zoom.**

Motion to adjourn by Peggy Rice, second by Ben Conant. PASSED. Meeting Adjourned at 10:46 AM

Respectfully submitted,  
Penny Whitney-Asdourian

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**MAINEPERS**

**BOARD OF TRUSTEES INVESTMENTS MEMORANDUM**

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**TO:** BOARD MEMBERS  
**FROM:** JAMES BENNETT, CHIEF INVESTMENT OFFICER  
**SUBJECT:** RISK DIVERSIFIERS REBALANCING  
**DATE:** JULY 7, 2022

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The System's current policy on rebalancing, contained in Appendix 2 of Board policy 2.1, directs the Investment Team to reallocate capital across existing strategies and investments in order to maintain asset class weights near their targets. The Investment Team is recommending that this policy be modified to allow rebalancing *within* the Risk Diversifier allocation, in order to maintain individual strategies at appropriate levels.

**POLICY REFERENCE**

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

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

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

**RECOMMENDATION**

*That Appendix 2 of Board Policy 2.1 be modified as shown in the attached document.*

Cambridge Associates concurs with this recommendation.

**RISK DIVERSIFIERS**

As discussed last month, the System's Risk Diversifier allocation is intended to provide diversification away from Growth Assets over market cycles. Overall, the Risk Diversifier allocation is expected to be lower risk, and to provide exposure to return streams that differ from those available via passive public market investments. While the overall allocation is expected to be lower risk, individual investments within the Risk Diversifier allocation can be quite volatile. In order to avoid bearing uncompensated "idiosyncratic" risk due to concentrated positions, diversification across individual managers and strategies must be maintained via as-needed rebalancing within the Risk Diversifier allocation.

The recommended changes to the Investment Policy Statement authorize the Investment Team to perform such rebalancing.

# Governance Manual

MainePERS Board of Trustees

## Board Responsibilities – Investment Policy

### Appendix 2: Rebalancing

Date Adopted: June 9, 2016

Date Amended: May 12, 2022; July 14, 2022

The Board has set target weights for each Asset Class and Role in Portfolio category in Appendix 1, and delegates the management of asset class allocation to the Investment Team. The Investment Team is expected to maintain asset class weights near target, subject to considerations such as transactions costs and the unique funding and liquidity characteristics of private market investments.

To this end, the Team is permitted to reallocate capital within existing strategies and investments for rebalancing purposes. The Investment Team is expected to consider both Role in Portfolio and Asset Class policy weights when rebalancing. The Team will provide Trustees with reports showing the Fund's current asset allocation at least monthly, and report on rebalancing activity at least quarterly.

In the specific case of the System's Risk Diversifier allocation, the Investment Team is permitted to rebalance across existing managers and strategies, consistent with the goal of maintaining diversification within the allocation. Rebalancing activity will be reported to Trustees at least quarterly.

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**MAINEPERS**

**BOARD OF TRUSTEES INVESTMENTS MEMORANDUM**

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**TO:** BOARD MEMBERS  
**FROM:** JAMES BENNETT, CHIEF INVESTMENT OFFICER  
**SUBJECT:** INVESTMENT REVIEW  
**DATE:** JULY 7, 2022

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Following this memo is the Monthly Investment Review for June.

**POLICY REFERENCE**

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

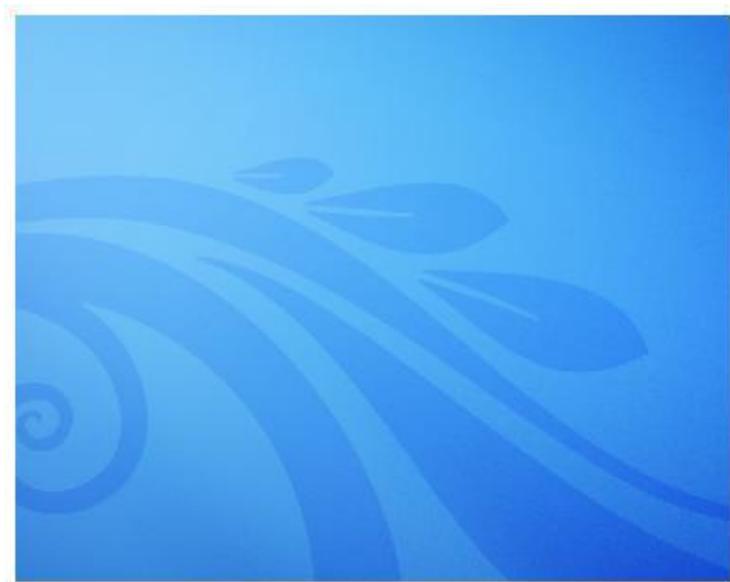
[Board Policy 4.5 – Board/Staff Relations](#)

[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 \$18.2 billion.
- Monthly return of -2.5%.
- Calendar year-to-date return of -4.9%.



# Investment Review

## July 14, 2022



**MainePERS**  
PUBLIC EMPLOYEES RETIREMENT SYSTEM

## Investment Objective

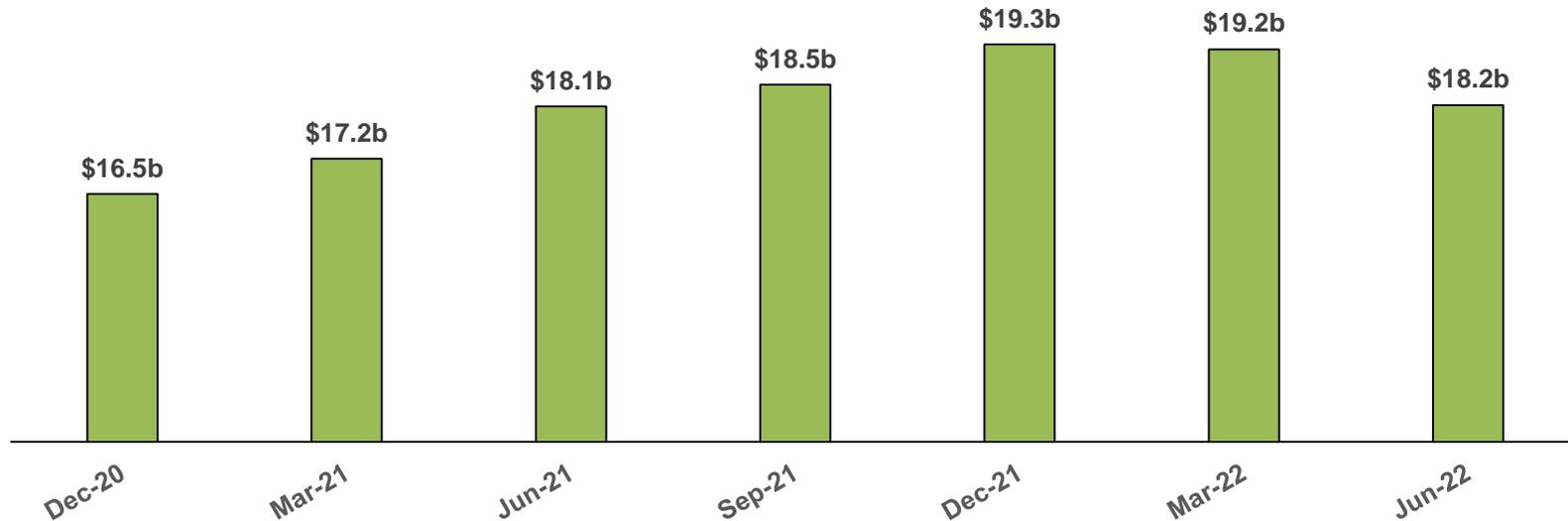
MainePERS' investment objectives balance the System's twin goals of generating investment returns (to ensure growth of the trust funds) and minimizing investment risks (loss of capital and cash flow shortfalls).

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

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

# June 2022 Performance (Preliminary)

The **preliminary** fund value at the end of June is \$18.2 billion.



## Fund and Benchmark Returns

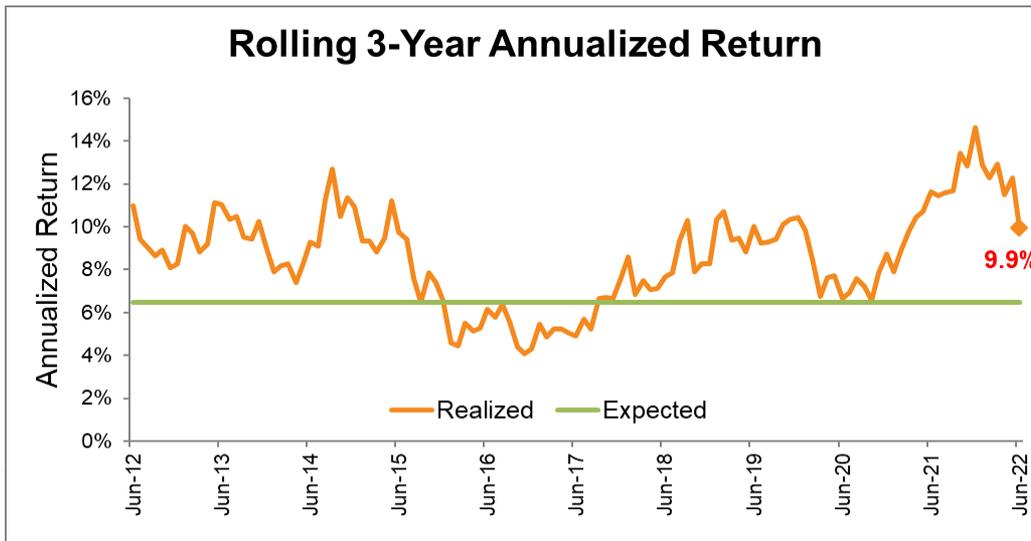
	Jun-22	CYTD 2022	FYTD 2022
Total Fund	-2.5%	-4.9%	2.4%
Russell 3000	-8.4%	-21.1%	-13.9%
MSCI ACWI ex-USA	-8.6%	-18.4%	-19.4%
Barclays Agg. Bond Index	-1.6%	-10.3%	-10.3%

Based on lagged private market values. Return estimate adjusted for lag effects is -1.8%.

# Investment Objective Measurement: Risk and Return



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



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

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

# June 2022 Asset Allocation (Preliminary)

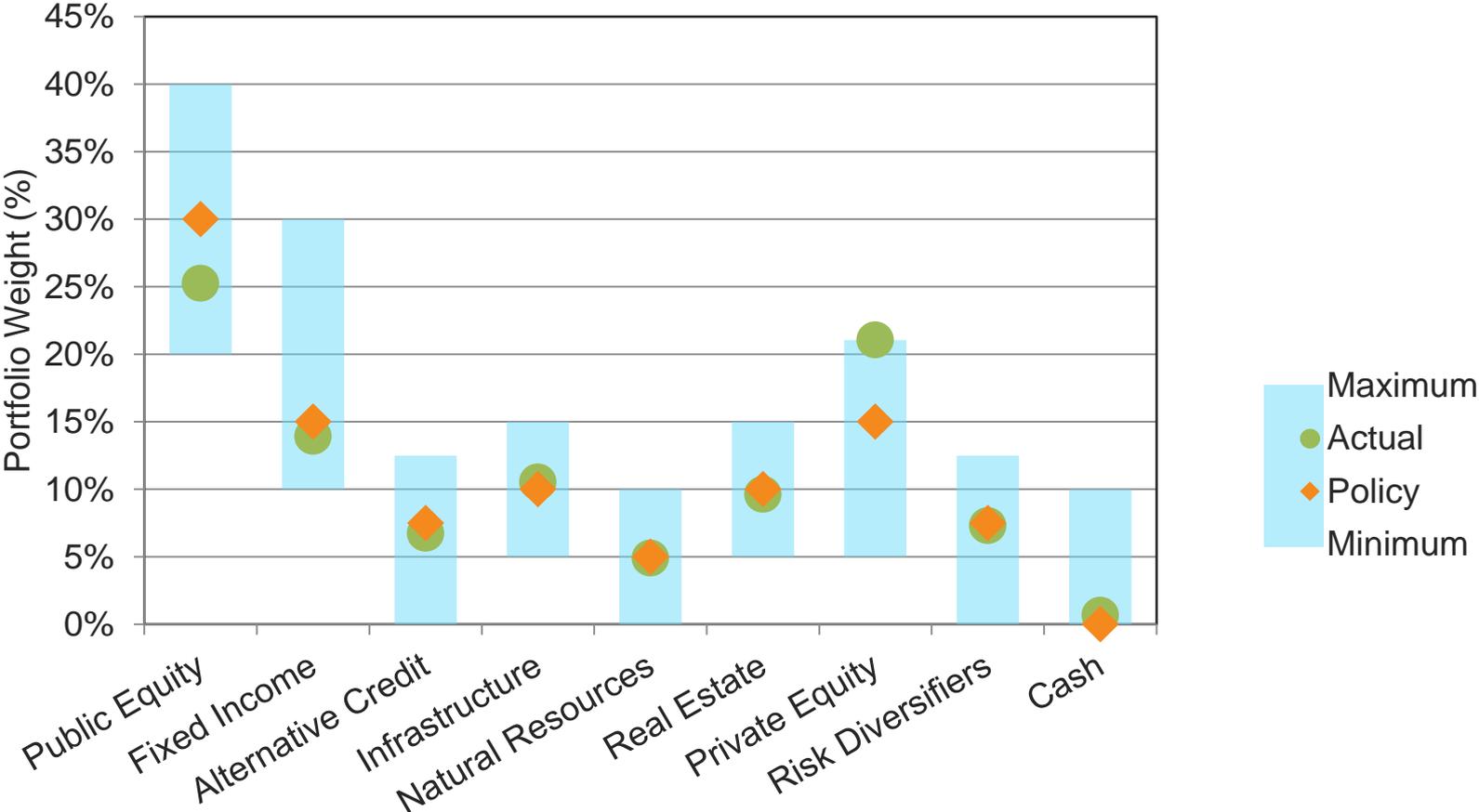
Assets (Millions)	Value	% of Fund	Policy %
<b>MainePERS Portfolio</b>	<b>\$ 18,170</b>	<b>100.0%</b>	<b>100.0%</b>
Domestic Equity	\$ 2,824	15.5%	18.2%
International Equity	\$ 1,765	9.7%	11.8%
Fixed Income	\$ 2,530	13.9%	15.0%
Alternative Credit	\$ 1,223	6.7%	7.5%
Infrastructure	\$ 1,914	10.5%	10.0%
Natural Resources	\$ 892	4.9%	5.0%
Private Equity	\$ 3,828	21.1%	15.0%
Real Estate	\$ 1,747	9.6%	10.0%
Risk Diversifiers	\$ 1,325	7.3%	7.5%
Cash	\$ 122	0.7%	0.0%

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

Private equity remains overweight at ~21% of Fund Value, and private markets assets in aggregate comprise 52.9% of the overall portfolio, above the 47.5% policy weight.

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

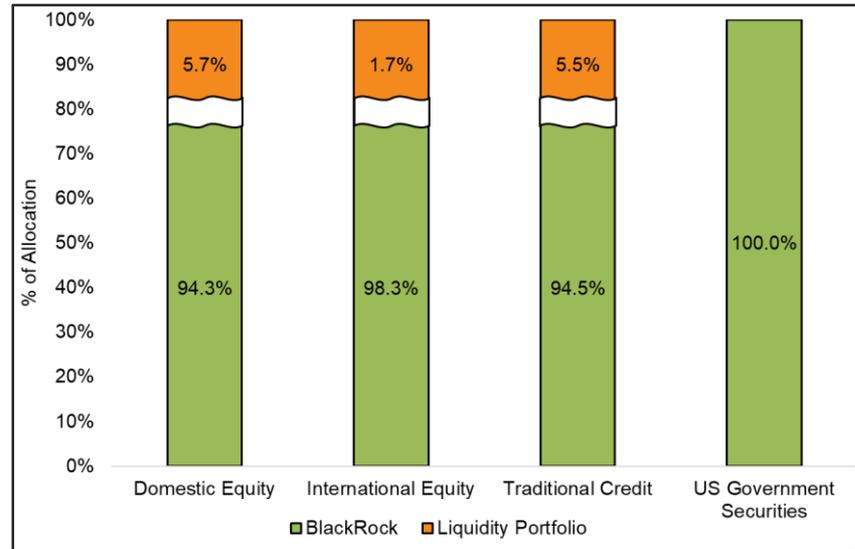
# June 2022 Asset Allocation (Preliminary)



# Public Securities: Liquidity Portfolio

At the end of June, 1.4% of Fund assets were invested via ETFs and futures contracts in an account managed by Parametric Associates.

The Liquidity Portfolio accounts for 3.6% of MainePERS' total exposure to public securities.



<b>MainePERS Liquidity Portfolio</b>	<b>Market Value (Millions)</b>	<b>Exposure Type</b>
Parametric Domestic Equity	\$160.7	Futures
Parametric International Equity	\$29.9	Futures
Parametric Traditional Credit	\$64.9	ETFs
Parametric US Government Securities	\$0.0	Futures
<b>Total Liquidity Portfolio</b>	<b>\$255.6</b>	

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

- Public Equities, Public Fixed Income, and Risk Diversifiers

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

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

# Investment Related Fees: June 2022

Description	FYTD 22	FY 21	FY 20	FY 19	FY 18
Investment Mgmt. Fees	\$119,778,092	\$118,561,261	\$124,480,394	\$106,398,871	\$92,410,866
Securities Lending Fees <sup>1</sup>	1,631,650	1,653,172	2,239,396	2,226,826	3,714,108
Consulting Fees	1,120,000	1,120,000	1,120,000	1,120,000	1,120,000
Broker Commissions <sup>2</sup>	30,833	52,364	37,461	28,970	38,168
Placement Agent Fees	0	0	0	0	0
<b>Total</b>	<b>\$122,560,575</b>	<b>\$121,386,797</b>	<b>\$127,877,251</b>	<b>\$109,774,667</b>	<b>\$97,283,142</b>
<b>Percentage of Fund <sup>3</sup></b>	<b>0.74%</b>	<b>0.67%</b>	<b>0.87%</b>	<b>0.74%</b>	<b>0.68%</b>

1. Securities Lending Fees are through 5/31/2022
2. Actual paid commissions reported by JP Morgan
3. Annualized estimated total fees divided by the current fund value for FYTD 22. The prior years' calculations are actual fees divided by the June 30 market value.

# Securities Lending: May 2022

	Average Lendable Assets	Average Assets On Loan	Total Sec Lending Revenue	Revenue Split	MainePERS Net Income	MainePERS Net Income, FYTD
<b>BlackRock</b>						
Fixed Income	\$1,831,119,360	\$1,343,300,321	\$207,098	60%/40%	\$124,259	\$1,383,730
Total Equity	\$1,710,163,092	\$237,830,408	\$203,327	60%/40%	\$130,945	\$1,278,500
<b>Total Blackrock</b>	<b>\$3,541,282,452</b>	<b>\$1,581,130,729</b>	<b>\$410,425</b>		<b>\$255,204</b>	<b>\$2,662,230</b>
<b>JP Morgan</b>						
Domestic Equities	\$2,814,235,549	\$135,091,298	\$28,394	85%/15%	\$24,140	\$240,666
<b>Total</b>	<b>\$6,355,518,001</b>	<b>\$1,716,222,027</b>	<b>\$438,819</b>		<b>\$279,344</b>	<b>\$2,902,896</b>
Total Annualized Securities Lending Income, FY 2022:				\$3,166,795 (0.02%, or 1.7 bps)		
Total Actual Securities Lending Income, FY 2021:				\$3,053,425 (0.02%, or 2.0 bps)		

# Liquidity Schedule: June 2022

<b>Term</b>	<b>Market Value</b>	<b>Percent of Portfolio</b>
Liquid <sup>1</sup>	\$7,242m	39.9%
Semi-Liquid <sup>2</sup>	\$2,540m	14.0%
Illiquid <sup>3</sup>	\$8,388m	46.2%
<b>Total</b>	<b>\$18,170m</b>	<b>100.0%</b>

<b><u>Sources and Uses of Liquidity</u></b>		
	<b>Last 12 Months Actual</b>	<b>Next 12 Months Projection</b>
<b>Private Markets Activity</b>		
Capital Contributions	-\$1,716m	-\$890m
Distributions	\$2,065m	\$1,710m
<b>Net Private Markets Activity</b>	<b>\$349m</b>	<b>\$820m</b>
<b>Benefit Payments</b>	<b>-\$390m</b>	<b>-\$420m</b>
<b>Net Cash Flows</b>	<b>-\$41m</b>	<b>\$400m</b>

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

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

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

# MainePERS Alternative Investments Summary

<i>as of 06/30/2022</i>	# of Funds	# of GP Relationships
Alternative Credit	20	12
Infrastructure	33	11
Natural Resources	14	9
Private Equity	119	33
Real Estate	34	19
Risk Diversifiers	8	6
<b>Total*</b>	<b>228</b>	<b>83</b>

\*GP Total may not add due to overlapping relationships

Currently, MainePERS is invested in 228 funds,  
and has 83 distinct manager relationships.

# MainePERS Alternative Investments Summary

<i>(in \$millions)</i> as of 06/30/2022	<u>Current Market Value</u>			<u>Unfunded Commitment</u>	
	Dollars	% of Fund	Target	Dollars	% of Fund
Alternative Credit	\$ 1,223	6.7%	7.5%	\$ 551	3.0%
Infrastructure	\$ 1,914	10.5%	10.0%	\$ 775	4.3%
Natural Resources	\$ 892	4.9%	5.0%	\$ 192	1.1%
Private Equity	\$ 3,828	21.1%	15.0%	\$ 1,331	7.3%
Real Estate	\$ 1,747	9.6%	10.0%	\$ 605	3.3%
Risk Diversifiers	\$ 1,325	7.3%	7.5%	\$ -	0.0%
<b>Total Alternatives</b>	<b>\$ 10,929</b>	<b>60.1%</b>	<b>55.0%</b>	<b>\$ 3,455</b>	<b>19.0%</b>

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

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

<i>(in \$millions)</i> as of 06/30/2022	<u>Private Market Commitments by Vintage Year</u>				3-Year
	2019	2020	2021	2022	Average <sup>1</sup>
Alternative Credit	\$ 200	\$ 275	\$ 410	\$ 200	\$ 295
Infrastructure	\$ 350	\$ 235	\$ 180	\$ 100	\$ 255
Natural Resources	\$ 175	\$ -	\$ -	\$ -	\$ 58
Private Equity	\$ 240	\$ 276	\$ 438	\$ 173	\$ 318
Real Estate	\$ 230	\$ 80	\$ 285	\$ 180	\$ 198
<b>Total Commitments</b>	<b>\$ 1,195</b>	<b>\$ 866</b>	<b>\$ 1,313</b>	<b>\$ 653</b>	<b>\$ 1,125</b>

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

## MainePERS Private Market Investments Summary: 03/31/2022

Asset Class Summary	Commitment (A)	Amount Contributed (B)	Total Distributions (C)	Current Market Value (D)	Total Value (C+D)	Interim Net IRR
Alternative Credit	\$ 1,656,230	\$ 1,304,577	\$ 415,206	\$ 1,082,568	\$ 1,497,773	6.8%
Infrastructure	\$ 3,193,890	\$ 3,040,263	\$ 2,198,721	\$ 2,242,230	\$ 4,440,951	12.0%
Natural Resources	\$ 1,015,500	\$ 1,027,482	\$ 400,606	\$ 890,220	\$ 1,290,825	6.6%
Private Equity	\$ 4,726,710	\$ 4,244,495	\$ 3,436,529	\$ 3,874,075	\$ 7,310,604	18.7%
Real Estate	\$ 2,531,663	\$ 2,366,413	\$ 1,648,094	\$ 1,869,912	\$ 3,518,006	7.7%
<b>Total</b>	<b>\$ 13,123,993</b>	<b>\$ 11,983,230</b>	<b>\$ 8,099,155</b>	<b>\$ 9,959,005</b>	<b>\$ 18,058,160</b>	<b>11.7%</b>

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

Co-Investment Summary	Commitment (A)	# of Co- Investments	Amount Contributed (B)	Total Distributions (C)	Current Market Value (D)	Total Value (C+D)	Interim Net IRR
Alternative Credit Co-Investments	\$ 153,700	25	\$ 145,107	\$ 46,105	\$ 113,446	\$ 159,551	7.7%
Infrastructure Co-Investments	\$ 209,837	10	\$ 203,670	\$ 134,667	\$ 205,028	\$ 339,695	14.2%
Natural Resources Co-Investments	\$ 32,500	2	\$ 27,238	\$ -	\$ 43,550	\$ 43,550	16.7%
Private Equity Co-Investments	\$ 372,646	30	\$ 352,555	\$ 304,051	\$ 281,659	\$ 585,709	17.3%
Real Estate Co-Investments	\$ 67,239	5	\$ 57,087	\$ 4,702	\$ 59,796	\$ 64,498	7.2%
<b>Total</b>	<b>\$ 835,923</b>	<b>72</b>	<b>\$ 785,657</b>	<b>\$ 489,525</b>	<b>\$ 703,478</b>	<b>\$ 1,193,003</b>	<b>15.3%</b>

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

# MainePERS Private Market Investments Summary: 03/31/2022

## 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	\$ 16,716	\$ 14,409	\$ 31,125	19.9%
Angelo Gordon Direct Lending Fund III	\$ 100,000	7/20/2018	\$ 100,000	\$ 39,762	\$ 88,819	\$ 128,581	10.8%
Participation Agreement #1	\$ 5,000	10/11/2019	\$ 7,463	\$ 1,161	\$ 7,286	\$ 8,447	7.6%
Participation Agreement #2	\$ 5,000	10/11/2019	\$ 4,994	\$ 5,422	\$ 4,880	\$ 10,302	6.5%
Participation Agreement #3	\$ 5,000	10/11/2019	\$ 5,000	\$ 5,700	\$ 4,862	\$ 10,562	6.8%
Participation Agreement #4	\$ 5,000	10/18/2019	\$ 7,488	\$ 1,126	\$ 7,234	\$ 8,359	6.9%
Participation Agreement #5	\$ 5,000	12/6/2019	\$ 5,000	\$ 1,549	\$ 4,368	\$ 5,918	8.8%
Participation Agreement #6	\$ 5,000	12/6/2019	\$ 4,988	\$ 983	\$ 4,823	\$ 5,806	7.5%
Participation Agreement #7	\$ 5,000	12/11/2019	\$ 5,000	\$ 1,053	\$ 4,657	\$ 5,709	6.5%
Participation Agreement #8	\$ 5,000	8/13/2020	\$ 4,914	\$ 610	\$ 4,910	\$ 5,520	NM
Participation Agreement #9	\$ 5,000	4/9/2021	\$ 7,425	\$ 467	\$ 7,409	\$ 7,876	NM
Participation Agreement #10	\$ 5,000	4/20/2021	\$ 5,007	\$ 570	\$ 4,772	\$ 5,342	NM
Participation Agreement #11	\$ 5,000	5/5/2021	\$ 5,000	\$ 398	\$ 4,895	\$ 5,293	NM
Angelo Gordon Direct Lending Fund IV	\$ 100,000	1/24/2020	\$ 75,000	\$ 3,456	\$ 80,939	\$ 84,394	12.1%
Participation Agreement #1	\$ 5,000	10/23/2020	\$ 4,913	\$ 1,004	\$ 4,412	\$ 5,416	NM
Participation Agreement #2	\$ 7,500	8/17/2021	\$ 7,406	\$ 329	\$ 7,361	\$ 7,690	NM
Participation Agreement #3	\$ 7,500	10/5/2021	\$ 7,500	\$ 417	\$ 7,376	\$ 7,793	NM
Participation Agreement #4	\$ 5,000	12/21/2021	\$ 4,925	\$ 119	\$ 4,925	\$ 5,044	NM
Participation Agreement #5	\$ 5,000	12/21/2021	\$ 4,925	\$ 77	\$ 4,916	\$ 4,993	NM
Participation Agreement #6	\$ 5,000	1/12/2022	\$ 4,925	\$ 68	\$ 4,903	\$ 4,971	NM
Participation Agreement #7	\$ 7,500	1/12/2022	\$ 7,388	\$ 133	\$ 7,337	\$ 7,469	NM
Angelo Gordon Direct Lending Fund IV Annex	\$ 50,000	11/18/2021	\$ 20,000	\$ -	\$ 20,114	\$ 20,114	NM
Ares Capital Europe IV	\$ 122,000	4/30/2018	\$ 97,118	\$ 12,622	\$ 92,920	\$ 105,542	3.8%
Ares Capital Europe V	\$ 122,000	9/4/2020	\$ 49,763	\$ 557	\$ 49,970	\$ 50,527	NM
Ares Senior Direct Lending Fund II	\$ 100,000	12/10/2021	\$ 20,827	\$ -	\$ 22,061	\$ 22,061	NM
Audax Senior Debt (MP), LLC	\$ 100,000	6/30/2017	\$ 96,000	\$ -	\$ -	\$ -	4.9%
Deerpath Capital VI	\$ 75,000	9/30/2021	\$ 45,500	\$ 676	\$ 46,156	\$ 46,832	NM
Global Infrastructure Partners Spectrum	\$ 100,000	2/20/2019	\$ 34,414	\$ 16,642	\$ 20,139	\$ 36,781	NM
Mesa West Core Lending Fund	\$ 100,000	6/18/2013	\$ 117,381	\$ 51,824	\$ -	\$ 51,824	6.6%
Owl Rock Capital Corporation	\$ 100,000	3/10/2017	\$ 100,000	\$ 20,250	\$ 113,827	\$ 134,077	8.7%
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%

## MainePERS Private Market Investments Summary: 03/31/2022

### 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
Participation Agreement #3	\$ 5,000	8/7/2018	\$ 4,938	\$ 5,634	\$ -	\$ 5,634	7.9%
Participation Agreement #4	\$ 5,000	8/20/2018	\$ 4,566	\$ 1,767	\$ 4,034	\$ 5,800	8.0%
Participation Agreement #5	\$ 5,000	12/21/2018	\$ 4,828	\$ 1,299	\$ 4,535	\$ 5,834	6.8%
Participation Agreement #6	\$ 7,500	8/7/2020	\$ 8,905	\$ 2,599	\$ 7,410	\$ 10,009	NM
Participation Agreement #7	\$ 7,500	7/26/2021	\$ 6,565	\$ 378	\$ 6,600	\$ 6,978	NM
Owl Rock Capital Corporation III	\$ 100,000	6/19/2020	\$ 104,750	\$ 4,750	\$ 105,770	\$ 110,520	NM
Pathlight Capital Fund II*	\$ 75,000	4/22/2021	\$ 80,362	\$ 24,417	\$ 42,813	\$ 67,229	NM
Solar Capital Private Corporate Lending Fund	\$ 50,000	6/26/2019	\$ 30,931	\$ 2,099	\$ 33,775	\$ 35,874	16.5%
Solar Capital Debt Fund	\$ 50,000	6/26/2019	\$ 9,804	\$ 402	\$ 11,020	\$ 11,422	NM
Silver Point Specialty Credit II	\$ 50,000	1/31/2020	\$ 52,988	\$ 20,052	\$ 37,053	\$ 57,105	12.8%
Tennenbaum Direct Lending VIII*	\$ 100,000	11/30/2017	\$ 100,883	\$ 69,576	\$ 58,991	\$ 128,567	7.0%

# MainePERS Private Market Investments Summary: 03/31/2022

## Infrastructure

Fund Name	Commitment (A)	Date of Commitment	Amount Contributed (B)	Total Distributions (C)	Current Market Value (D)	Total Value (C+D)	Interim Net IRR
Alinda Infrastructure Fund II	\$ 50,000	9/17/2009	\$ 67,889	\$ 64,449	\$ 10,911	\$ 75,360	2.3%
ArcLight Energy V	\$ 75,000	10/28/2011	\$ 76,031	\$ 84,518	\$ 18,705	\$ 103,223	8.0%
Shore Co-Investment Holdings II	\$ 20,000	1/30/2014	\$ 17,709	\$ 19,737	\$ -	\$ 19,737	8.4%
ArcLight Energy VI	\$ 150,000	11/25/2014	\$ 159,687	\$ 71,040	\$ 102,642	\$ 173,682	2.4%
Great River Hydro Partners	\$ 12,000	6/17/2017	\$ 10,718	\$ 8,639	\$ 15,865	\$ 24,503	29.5%
Brookfield Infrastructure Fund II	\$ 100,000	6/28/2013	\$ 115,506	\$ 88,914	\$ 97,072	\$ 185,986	9.9%
Brookfield Infrastructure Fund III	\$ 100,000	4/15/2016	\$ 95,127	\$ 40,964	\$ 94,759	\$ 135,723	12.4%
Co-Investment #1	\$ 20,000	3/31/2017	\$ 15,945	\$ 16,893	\$ 16,110	\$ 33,003	27.9%
Carlyle Global Infrastructure Opportunity Fund	\$ 100,000	5/1/2019	\$ 65,818	\$ 4,486	\$ 64,809	\$ 69,295	5.7%
Carlyle Infrastructure Partners	\$ 50,000	11/2/2007	\$ 57,366	\$ 64,289	\$ 216	\$ 64,505	2.4%
Carlyle Power Partners II	\$ 50,000	11/19/2015	\$ 61,769	\$ 27,760	\$ 48,831	\$ 76,591	8.1%
Cube Infrastructure	\$ 45,000	4/16/2010	\$ 60,063	\$ 96,104	\$ 1,146	\$ 97,250	8.0%
Cube Infrastructure II	\$ 90,000	9/11/2018	\$ 73,467	\$ 3,927	\$ 76,097	\$ 80,024	3.9%
Cube Infrastructure III	\$ 90,000	8/16/2021	\$ 17,597	\$ -	\$ 16,431	\$ 16,431	NM
EQT Infrastructure III*	\$ 68,000	12/3/2016	\$ 84,604	\$ 51,700	\$ 125,470	\$ 177,169	24.5%
EQT Infrastructure IV*	\$ 100,000	12/17/2018	\$ 88,030	\$ 14,145	\$ 92,457	\$ 106,601	14.6%
EQT Infrastructure V*	\$ 75,000	12/8/2020	\$ 30,320	\$ 1,502	\$ 20,953	\$ 22,455	NM
First Reserve Energy Infrastructure Fund	\$ 50,000	6/30/2010	\$ 59,716	\$ 51,620	\$ 5,700	\$ 57,320	-1.1%
First Reserve Energy Infrastructure Fund II	\$ 100,000	10/21/2013	\$ 125,503	\$ 117,680	\$ 43,271	\$ 160,951	16.3%
Global Infrastructure Partners Sonic	\$ 30,000	7/31/2020	\$ 31,578	\$ -	\$ 26,055	\$ 26,055	NM
Global Infrastructure Partners	\$ 75,000	3/31/2008	\$ 101,173	\$ 205,062	\$ 722	\$ 205,783	17.3%
Global Infrastructure Partners II	\$ 75,000	12/3/2011	\$ 104,105	\$ 139,374	\$ 40,041	\$ 179,415	16.3%
Global Infrastructure Partners III	\$ 150,000	4/15/2016	\$ 166,256	\$ 57,216	\$ 171,974	\$ 229,190	11.2%
Co-Investment #1	\$ 29,000	2/28/2017	\$ 27,337	\$ 15,017	\$ -	\$ 15,017	16.4%
Co-Investment #2	\$ 25,000	8/16/2018	\$ 25,885	\$ 1,985	\$ 15,292	\$ 17,277	-11.6%
Global Infrastructure Partners IV	\$ 150,000	12/21/2018	\$ 88,215	\$ 2,150	\$ 86,126	\$ 88,276	0.1%
IFM Global Infrastructure (US), L.P.	\$ 100,000	12/20/2012	\$ 144,550	\$ 208,040	\$ -	\$ 208,040	9.9%
KKR Global Infrastructure Investors	\$ 75,000	9/29/2010	\$ 87,917	\$ 154,068	\$ 22	\$ 154,089	13.1%

(all dollar amounts in thousands)

# MainePERS Private Market Investments Summary: 03/31/2022

## Infrastructure

Fund Name	Commitment (A)	Date of Commitment	Amount Contributed (B)	Total Distributions (C)	Current Market Value (D)	Total Value (C+D)	Interim Net IRR
KKR Global Infrastructure Investors II	\$ 150,000	10/24/2014	\$ 182,463	\$ 218,162	\$ 87,317	\$ 305,479	17.4%
KKR Atlanta Co-Invest	\$ 24,000	9/26/2014	\$ 21,428	\$ 28,551	\$ -	\$ 28,551	5.7%
KKR Taurus Co-Invest II	\$ 25,000	8/15/2017	\$ 25,000	\$ 34,190	\$ 23,640	\$ 57,830	23.0%
KKR Byzantium Infrastructure Aggregator	\$ 15,000	10/17/2017	\$ 15,000	\$ 7,013	\$ 10,224	\$ 17,237	4.3%
KKR Global Infrastructure Investors III	\$ 100,000	3/29/2018	\$ 80,891	\$ 16,363	\$ 75,577	\$ 91,940	9.1%
Meridiam Infrastructure (SCA)*	\$ 11,000	9/23/2015	\$ 21,938	\$ 8,571	\$ 29,755	\$ 38,326	10.8%
Meridiam Infrastructure Europe II (SCA)*	\$ 22,500	9/23/2015	\$ 27,380	\$ 13,513	\$ 41,713	\$ 55,226	15.4%
Meridiam Infrastructure Europe III SLP	\$ 95,000	4/27/2016	\$ 69,465	\$ 13,144	\$ 51,460	\$ 64,604	-3.9%
Meridiam Sustainable Infrastructure Europe IV*	\$ 90,000	4/16/2021	\$ 8,932	\$ 4	\$ 1,198	\$ 1,202	NM
Meridiam Infrastructure N.A. II	\$ 75,000	9/28/2012	\$ 88,232	\$ 31,084	\$ 175,399	\$ 206,483	19.7%
MINA II CIP	\$ 175	6/30/2015	\$ 169	\$ 29	\$ 19,844	\$ 19,873	147.2%
Meridiam Infrastructure N.A. II	\$ 20,000	6/30/2015	\$ 18,870	\$ 4,342	\$ 44,935	\$ 49,277	28.9%
Meridiam Infrastructure N.A. III	\$ 50,000	7/12/2017	\$ 12,794	\$ 1	\$ 20,403	\$ 20,404	NM
Stonepeak Infrastructure Partners II	\$ 140,000	11/12/2015	\$ 183,928	\$ 165,251	\$ 101,454	\$ 266,704	14.2%
Stonepeak Claremont Co-Invest	\$ 25,000	5/30/2017	\$ 25,000	\$ 925	\$ 51,032	\$ 51,957	17.9%
Stonepeak Spear (Co-Invest) Holdings	\$ 25,000	1/8/2018	\$ 19,648	\$ 1,717	\$ 37,620	\$ 39,338	18.8%
Stonepeak Infrastructure Partners III	\$ 150,000	10/13/2017	\$ 140,812	\$ 38,992	\$ 182,384	\$ 221,376	23.8%
Stonepeak Infrastructure Partners IV	\$ 125,000	5/8/2020	\$ 37,950	\$ 5,480	\$ 35,128	\$ 40,608	NM

# MainePERS Private Market Investments Summary: 03/31/2022

## 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	\$ 10,092	\$ 48,376	\$ 58,468	7.9%
ACM Permanent Crops II*	\$ 35,000	5/12/2016	\$ 40,717	\$ 8,885	\$ 24,404	\$ 33,289	-7.9%
AMERRA Agri Fund III	\$ 50,000	2/11/2016	\$ 96,079	\$ 63,563	\$ 35,990	\$ 99,553	1.6%
Denham Mining Fund	\$ 35,000	6/29/2018	\$ 24,377	\$ -	\$ 34,285	\$ 34,285	16.1%
Homestead Capital Farmland II	\$ 50,000	8/8/2016	\$ 53,907	\$ 8,311	\$ 54,225	\$ 62,535	5.2%
Homestead Capital Farmland III	\$ 30,000	10/26/2018	\$ 19,862	\$ 2,014	\$ 19,318	\$ 21,332	8.6%
Orion Mine Finance Fund II	\$ 50,000	5/25/2016	\$ 100,573	\$ 74,178	\$ 48,522	\$ 122,700	10.6%
Orion Mine Finance Co-Fund II	\$ 20,000	8/13/2018	\$ 20,085	\$ -	\$ 37,630	\$ 37,630	20.0%
Silver Creek Aggregate Reserves Fund	\$ 100,000	11/6/2018	\$ 12,919	\$ 1,605	\$ 14,823	\$ 16,428	NM
Taurus Mining Fund	\$ 50,000	3/27/2015	\$ 41,459	\$ 44,644	\$ 4,276	\$ 48,921	6.9%
Taurus Mining Fund Annex	\$ 23,000	12/1/2016	\$ 18,250	\$ 22,717	\$ 1,310	\$ 24,027	17.9%
Taurus Mining Fund No. 2*	\$ 75,000	4/18/2019	\$ 51,122	\$ 42,003	\$ 14,050	\$ 56,053	22.0%
Teays River Integrated Agriculture	\$ 200,000	7/1/2015	\$ 199,005	\$ 28,770	\$ 345,002	\$ 373,772	10.4%
Twin Creeks Timber	\$ 125,000	1/7/2016	\$ 194,844	\$ 82,259	\$ 119,043	\$ 201,302	1.1%
U.S. Farming Realty Trust III	\$ 100,000	7/7/2015	\$ 108,032	\$ 11,565	\$ 80,260	\$ 91,825	-4.1%
Canally Coinvest Holdings	\$ 12,500	12/9/2019	\$ 7,153	\$ -	\$ 5,919	\$ 5,919	-10.2%

# MainePERS Private Market Investments Summary: 03/31/2022

## Private Equity

Fund Name	Commitment (A)	Date of Commitment	Amount Contributed (B)	Total Distributions (C)	Current Market Value (D)	Total Value (C+D)	Interim Net IRR
ABRY Advanced Securities Fund II	\$ 20,000	5/4/2011	\$ 20,526	\$ 29,579	\$ 788	\$ 30,367	13.3%
ABRY Advanced Securities Fund III	\$ 30,000	4/30/2014	\$ 44,186	\$ 18,509	\$ 28,702	\$ 47,212	0.2%
ABRY Heritage Partners	\$ 10,000	5/31/2016	\$ 10,068	\$ 7,399	\$ 8,984	\$ 16,384	28.1%
ABRY Partners VII	\$ 10,000	4/29/2011	\$ 12,920	\$ 17,118	\$ 3,185	\$ 20,303	13.2%
ABRY Partners VIII	\$ 20,000	8/8/2014	\$ 23,742	\$ 28,430	\$ 4,795	\$ 33,225	10.4%
ABRY Senior Equity IV	\$ 10,000	12/7/2012	\$ 10,809	\$ 16,594	\$ 2,203	\$ 18,797	15.3%
ABRY Senior Equity V	\$ 12,050	1/19/2017	\$ 12,560	\$ 3,933	\$ 13,081	\$ 17,014	19.4%
Advent International GPE VII	\$ 30,000	6/29/2012	\$ 34,211	\$ 52,335	\$ 13,929	\$ 66,264	14.7%
Advent International GPE VIII	\$ 50,000	2/5/2016	\$ 55,594	\$ 42,125	\$ 66,791	\$ 108,916	24.5%
Advent International GPE IX	\$ 50,000	5/9/2019	\$ 34,629	\$ 3,998	\$ 77,488	\$ 81,486	109.8%
GPE IX TKE Co-Investment	\$ 24,000	3/30/2020	\$ 21,243	\$ -	\$ 29,177	\$ 29,177	24.6%
Advent Latin America PE Fund VI	\$ 20,000	10/17/2014	\$ 18,750	\$ 8,350	\$ 24,504	\$ 32,854	20.0%
Affinity Asia Pacific Fund IV	\$ 60,000	2/28/2013	\$ 64,277	\$ 65,014	\$ 37,255	\$ 102,269	15.8%
Affinity Asia Pacific Fund V	\$ 40,000	12/11/2017	\$ 13,743	\$ 2,414	\$ 14,622	\$ 17,036	NM
Bain Capital Venture Coinvestment Fund III	\$ 15,000	4/1/2021	\$ 10,875	\$ -	\$ 7,377	\$ 7,377	NM
Bain Capital Ventures 2021	\$ 25,000	10/28/2020	\$ 12,313	\$ 1	\$ 11,459	\$ 11,460	NM
Berkshire Fund VIII	\$ 15,000	7/20/2011	\$ 16,706	\$ 24,989	\$ 13,930	\$ 38,920	18.8%
Berkshire Fund IX	\$ 50,000	3/18/2016	\$ 52,482	\$ 23,195	\$ 71,712	\$ 94,907	23.9%
Blackstone Capital Partners VI	\$ 30,000	6/30/2010	\$ 37,311	\$ 47,809	\$ 14,292	\$ 62,101	12.5%
Blackstone Capital Partners VII	\$ 54,000	3/27/2015	\$ 59,021	\$ 28,812	\$ 69,775	\$ 98,586	20.3%
Carlyle Asia Partners III	\$ 15,000	12/31/2009	\$ 20,408	\$ 29,734	\$ 1,103	\$ 30,837	12.6%
Carlyle Asia Partners IV	\$ 60,000	6/3/2014	\$ 76,251	\$ 74,572	\$ 44,933	\$ 119,505	13.1%
Carlyle Asia Partners V	\$ 45,000	10/30/2017	\$ 23,484	\$ 7,873	\$ 22,432	\$ 30,305	30.8%
Centerbridge Capital Partners III	\$ 30,000	10/24/2014	\$ 43,924	\$ 33,411	\$ -	\$ 33,411	20.4%
CB Blizzard Co-Invest	\$ 10,000	9/11/2019	\$ 15,684	\$ 10,053	\$ 8,869	\$ 18,922	22.1%
Charterhouse Capital Partners VIII	\$ 13,500	1/6/2011	\$ 11,188	\$ 14,160	\$ -	\$ 14,160	7.9%
Charterhouse Capital Partners IX	\$ 4,500	1/6/2011	\$ 5,373	\$ 7,091	\$ -	\$ 7,091	12.2%
Charterhouse Capital Partners X	\$ 67,000	5/13/2015	\$ 50,027	\$ 40,175	\$ 47,021	\$ 87,196	22.0%

(all dollar amounts in thousands)

# MainePERS Private Market Investments Summary: 03/31/2022

## Private Equity

Fund Name	Commitment (A)	Date of Commitment	Amount Contributed (B)	Total Distributions (C)	Current Market Value (D)	Total Value (C+D)	Interim Net IRR
Charterhouse Acrostone	\$ 12,000	8/24/2018	\$ 13,254	\$ 21,268	\$ 15	\$ 21,283	16.9%
Charterhouse Capital Partners XI	\$ 45,000	4/23/2021	\$ 0	\$ -	\$ (210)	\$ (210)	NM
CVC Capital Partners VI	\$ 67,000	7/12/2013	\$ 93,997	\$ 84,344	\$ 87,341	\$ 171,685	19.7%
CVC Capital Partners VII	\$ 48,000	5/9/2017	\$ 67,841	\$ 30,869	\$ 68,368	\$ 99,238	35.4%
CVC Capital Partners VIII	\$ 44,000	6/11/2020	\$ 13,107	\$ 4,234	\$ 9,023	\$ 13,257	NM
EnCap Energy Capital VIII	\$ 30,000	1/31/2011	\$ 34,181	\$ 20,148	\$ 11,927	\$ 32,076	-1.6%
EnCap Energy Capital Fund VIII Co-Investors, L.P.	\$ 16,238	12/8/2011	\$ 16,492	\$ 4,256	\$ 6,583	\$ 10,839	-6.8%
EnCap Energy Capital Fund IX	\$ 30,000	12/19/2012	\$ 34,460	\$ 31,840	\$ 14,525	\$ 46,365	8.3%
EnCap Energy Capital Fund X	\$ 40,000	3/5/2015	\$ 41,146	\$ 24,867	\$ 39,728	\$ 64,594	11.7%
EnCap Energy Capital Fund XI	\$ 40,000	5/31/2017	\$ 29,428	\$ 2,875	\$ 24,592	\$ 27,467	6.3%
EnCap Flatrock Midstream Fund III	\$ 20,000	4/9/2014	\$ 24,986	\$ 16,585	\$ 13,865	\$ 30,450	8.1%
EnCap Flatrock Midstream Fund IV	\$ 22,000	11/17/2017	\$ 13,343	\$ 7,094	\$ 5,798	\$ 12,893	6.4%
General Catalyst X - Early Venture	\$ 19,565	3/26/2020	\$ 17,413	\$ -	\$ 42,017	\$ 42,017	147.9%
General Catalyst X - Endurance	\$ 22,826	3/26/2020	\$ 22,859	\$ -	\$ 32,845	\$ 32,845	49.6%
General Catalyst X - Growth Venture	\$ 32,609	3/26/2020	\$ 30,815	\$ -	\$ 63,249	\$ 63,249	108.5%
General Catalyst XI - Creation	\$ 8,823	10/29/2021	\$ 665	\$ -	\$ (50)	\$ (50)	NM
General Catalyst XI - Endurance	\$ 29,412	10/29/2021	\$ 12,128	\$ -	\$ 8,724	\$ 8,724	NM
General Catalyst XI - Ignition	\$ 11,765	10/29/2021	\$ 3,376	\$ -	\$ 1,717	\$ 1,717	NM
GTCR Fund X	\$ 30,000	1/28/2011	\$ 31,766	\$ 64,445	\$ 172	\$ 64,617	21.4%
GTCR Fund XI	\$ 35,000	11/15/2013	\$ 34,036	\$ 66,248	\$ 75,790	\$ 142,037	41.9%
GTCR Fund XII	\$ 50,000	9/29/2017	\$ 51,223	\$ 31,746	\$ 56,073	\$ 87,819	37.6%
Co-Investment #1	\$ 5,238	4/26/2019	\$ 4,556	\$ -	\$ 7,910	\$ 7,910	23.2%
Co-Investment #2	\$ 5,997	11/1/2019	\$ 5,806	\$ 10,935	\$ 2,217	\$ 13,152	50.1%
GTCR XIII	\$ 50,000	10/27/2020	\$ 9,180	\$ 1,809	\$ 7,262	\$ 9,072	NM
H.I.G. Bayside Loan Fund II	\$ 25,000	5/28/2010	\$ 24,192	\$ 29,602	\$ 1,960	\$ 31,561	6.6%
H.I.G. Bayside Loan Ops Fund III (Europe)	\$ 30,000	7/27/2012	\$ 26,707	\$ 31,070	\$ 4,204	\$ 35,274	8.0%
H.I.G. Brazil & Latin America Partners	\$ 60,000	7/1/2015	\$ 51,217	\$ 14,505	\$ 75,946	\$ 90,451	21.4%
H.I.G. Capital Partners V	\$ 15,000	2/28/2013	\$ 18,737	\$ 21,761	\$ 14,308	\$ 36,069	25.0%

(all dollar amounts in thousands)

# MainePERS Private Market Investments Summary: 03/31/2022

## Private Equity

Fund Name	Commitment (A)	Date of Commitment	Amount Contributed (B)	Total Distributions (C)	Current Market Value (D)	Total Value (C+D)	Interim Net IRR
H.I.G. Europe Capital Partners II	\$ 22,500	7/1/2013	\$ 25,208	\$ 20,538	\$ 15,928	\$ 36,466	14.9%
H.I.G. Growth Buyouts & Equity Fund II	\$ 17,500	6/30/2011	\$ 20,845	\$ 18,008	\$ 29,081	\$ 47,089	18.6%
H.I.G. Growth Buyouts & Equity Fund III	\$ 35,000	9/13/2018	\$ 11,116	\$ -	\$ 8,197	\$ 8,197	NM
H.I.G Middle Market LBO Fund II	\$ 40,000	2/7/2014	\$ 47,094	\$ 61,399	\$ 36,211	\$ 97,610	31.2%
Co-Investment #1	\$ 9,000	10/12/2017	\$ 9,000	\$ -	\$ 3,714	\$ 3,714	-18.9%
Co-Investment #2	\$ 686	6/19/2020	\$ 686	\$ -	\$ 796	\$ 796	NM
Co-Investment #3	\$ 1,000	6/1/2021	\$ 1,079	\$ -	\$ 1,139	\$ 1,139	NM
H.I.G. Middle Market LBO Fund III	\$ 40,000	7/23/2019	\$ 9,246	\$ 431	\$ 10,791	\$ 11,222	NM
Hellman & Friedman Capital Partners VII	\$ 30,000	6/19/2009	\$ 44,336	\$ 105,422	\$ 6,170	\$ 111,592	24.9%
Hellman & Friedman Capital Partners VIII	\$ 45,000	9/24/2014	\$ 48,284	\$ 26,428	\$ 78,848	\$ 105,277	26.4%
Hellman & Friedman Capital Partners IX	\$ 45,000	9/28/2018	\$ 41,902	\$ 1,069	\$ 55,134	\$ 56,203	31.4%
Hellman & Friedman Capital Partners X	\$ 45,000	5/10/2021	\$ 24,529	\$ -	\$ 5,111	\$ 5,111	NM
Inflexion Buyout Fund IV	\$ 27,000	9/30/2014	\$ 33,518	\$ 34,364	\$ 25,780	\$ 60,144	11.8%
Inflexion Partnership Capital Fund I	\$ 17,000	9/30/2014	\$ 21,492	\$ 25,566	\$ 10,503	\$ 36,069	19.7%
Inflexion Supplemental Fund IV	\$ 10,000	5/31/2016	\$ 14,009	\$ 17,917	\$ 10,480	\$ 28,397	22.5%
Kelso Investment Associates VIII*	\$ 3,000	1/6/2011	\$ 3,022	\$ 4,263	\$ 430	\$ 4,693	8.2%
Kelso Investment Associates IX	\$ 60,000	11/5/2014	\$ 69,589	\$ 75,442	\$ 40,157	\$ 115,599	21.1%
KIA IX (Hammer) Investor	\$ 25,000	8/12/2016	\$ 25,426	\$ 69,298	\$ 232	\$ 69,530	21.4%
Kelso Investment Associates X	\$ 45,000	3/16/2018	\$ 36,379	\$ 7,943	\$ 57,044	\$ 64,987	49.1%
Kelso Investment Associates XI	\$ 45,000	12/22/2021	\$ 0	\$ -	\$ (148)	\$ (148)	NM
KKR North American Fund XI	\$ 60,000	2/7/2012	\$ 91,789	\$ 127,700	\$ 51,981	\$ 179,681	19.8%
KKR North America Fund XI (Platinum)	\$ 8,003	2/26/2016	\$ 8,040	\$ 2,313	\$ 6,573	\$ 8,886	2.5%
KKR Element Co-Invest	\$ 10,000	8/29/2016	\$ 10,050	\$ 24,030	\$ 1	\$ 24,031	23.5%
KKR Americas XII	\$ 60,000	3/3/2016	\$ 59,547	\$ 21,516	\$ 103,178	\$ 124,695	41.0%
KKR Sigma Aggregator	\$ 15,000	6/22/2018	\$ 15,000	\$ -	\$ 23,437	\$ 23,437	13.5%
KKR Enterprise Co-Invest	\$ 16,721	10/11/2018	\$ 15,000	\$ -	\$ -	\$ -	-100.0%
KKR Enterprise Co-Invest AIV A	\$ 8,936	11/8/2019	\$ 8,936	\$ 7,243	\$ 4,482	\$ 11,726	33.5%
KKR North America XIII	\$ 40,000	6/25/2021	\$ 0	\$ -	\$ (154)	\$ (154)	NM

(all dollar amounts in thousands)

# MainePERS Private Market Investments Summary: 03/31/2022

## Private Equity

Fund Name	Commitment (A)	Date of Commitment	Amount Contributed (B)	Total Distributions (C)	Current Market Value (D)	Total Value (C+D)	Interim Net IRR
KKR Special Situations Fund	\$ 60,000	12/19/2012	\$ 118,957	\$ 96,149	\$ 16,344	\$ 112,493	-2.4%
KKR Special Situations Fund II	\$ 60,000	12/19/2014	\$ 97,775	\$ 70,726	\$ 44,711	\$ 115,437	5.4%
Oaktree Opportunities VIII	\$ 30,000	12/9/2009	\$ 30,000	\$ 43,849	\$ 320	\$ 44,169	9.1%
ONCAP IV	\$ 15,000	11/8/2016	\$ 12,053	\$ 2,725	\$ 11,879	\$ 14,604	9.5%
Onex Partners III*	\$ 10,000	1/6/2011	\$ 11,181	\$ 16,832	\$ 1,743	\$ 18,574	13.2%
Onex Partners IV	\$ 60,000	11/22/2013	\$ 62,871	\$ 43,444	\$ 46,862	\$ 90,306	9.5%
Co-Investment #1	\$ 10,000	2/27/2017	\$ 10,471	\$ 1,181	\$ 17,900	\$ 19,081	14.6%
Onex Partners V	\$ 45,000	7/11/2017	\$ 38,694	\$ 2,378	\$ 28,643	\$ 31,021	23.6%
Paine & Partners Capital Fund IV	\$ 60,000	12/18/2014	\$ 52,618	\$ 29,070	\$ 45,057	\$ 74,127	9.6%
Wawona Co-Investment Fund I	\$ 15,000	3/31/2017	\$ 15,012	\$ -	\$ 9,821	\$ 9,821	-8.5%
Lyons Magnus Co-Investment Fund I	\$ 15,000	11/8/2017	\$ 15,000	\$ -	\$ 35,159	\$ 35,159	22.8%
PSP Maverick Co-Invest	\$ 7,238	9/12/2019	\$ 7,254	\$ -	\$ 11,475	\$ 11,475	22.1%
PSP AH&N Co-Investment Fund	\$ 16,678	11/27/2019	\$ 17,539	\$ -	\$ 28,037	\$ 28,037	30.4%
Paine Schwartz Food Chain Fund V	\$ 45,000	8/3/2018	\$ 36,199	\$ 10,548	\$ 29,519	\$ 40,067	37.6%
SNFL Co-Investment Fund	\$ 10,000	10/11/2019	\$ 5,018	\$ 124	\$ 8,190	\$ 8,314	25.5%
Rhone Partners V	\$ 56,000	3/12/2015	\$ 70,335	\$ 31,231	\$ 81,471	\$ 112,702	22.2%
Riverside Capital Appreciation Fund VI	\$ 60,000	7/3/2013	\$ 61,421	\$ 69,145	\$ 23,604	\$ 92,749	11.8%
RCAF VI CIV XXXII	\$ 12,399	10/21/2015	\$ 12,687	\$ 34,905	\$ 33,131	\$ 68,037	19.3%
Riverside Micro-Cap Fund III	\$ 35,000	6/30/2014	\$ 49,448	\$ 183,115	\$ 57,956	\$ 241,070	38.5%
Riverside Micro-Cap Fund IV	\$ 60,000	10/23/2015	\$ 55,659	\$ -	\$ 112,743	\$ 112,743	18.8%
Riverside Micro-Cap Fund IV-B	\$ 20,000	8/9/2019	\$ 24,292	\$ 5,583	\$ 33,382	\$ 38,965	43.6%
Riverside Micro-Cap Fund V	\$ 20,000	8/21/2018	\$ 28,463	\$ -	\$ 38,407	\$ 38,407	30.7%
Riverside Micro-Cap Fund VI	\$ 45,000	8/26/2021	\$ 0	\$ -	\$ (360)	\$ (360)	NM
Shoreview Capital Partners III	\$ 24,000	7/24/2013	\$ 25,083	\$ 27,139	\$ 22,131	\$ 49,270	19.3%
Shoreview Capital Partners IV	\$ 30,000	6/3/2019	\$ 10,131	\$ 5,761	\$ 3,958	\$ 9,719	NM
Sovereign Capital IV*	\$ 46,500	7/7/2014	\$ 40,344	\$ 21,967	\$ 39,312	\$ 61,279	13.4%
Summit Partners Credit II	\$ 60,000	10/25/2013	\$ 90,550	\$ 82,118	\$ 25,286	\$ 107,404	7.2%
Summit Europe Growth Equity III	\$ 22,000	3/18/2020	\$ 7,523	\$ -	\$ 7,492	\$ 7,492	NM

(all dollar amounts in thousands)

# MainePERS Private Market Investments Summary: 03/31/2022

## Private Equity

Fund Name	Commitment (A)	Date of Commitment	Amount Contributed (B)	Total Distributions (C)	Current Market Value (D)	Total Value (C+D)	Interim Net IRR
Summit Growth Equity VIII	\$ 25,000	5/27/2011	\$ 33,302	\$ 61,481	\$ 18,444	\$ 79,925	28.2%
Co-Investment #1	\$ 16,000	6/3/2015	\$ 16,000	\$ 35,559	\$ 16,654	\$ 52,213	31.7%
Summit Growth Equity IX	\$ 60,000	8/26/2015	\$ 82,878	\$ 88,968	\$ 101,463	\$ 190,431	43.9%
Co-Investment #1	\$ 15,000	11/29/2016	\$ 14,895	\$ 41,104	\$ -	\$ 41,104	159.6%
Summit Partners Co-Invest (Ironman)	\$ 15,000	4/20/2018	\$ 14,998	\$ -	\$ 17,901	\$ 17,901	5.2%
Summit Partners Co-Invest (Giants-B)	\$ 15,000	10/22/2019	\$ 15,000	\$ 41,780	\$ 11,881	\$ 53,661	87.3%
Summit Growth Equity X	\$ 60,000	2/26/2019	\$ 51,699	\$ 13,584	\$ 49,352	\$ 62,936	42.7%
Summit Partners Co-Invest (Lions)	\$ 7,000	10/14/2020	\$ 7,000	\$ -	\$ 7,065	\$ 7,065	NM
Summit Partners Co-Invest (Indigo)	\$ 10,000	12/11/2020	\$ 11,430	\$ -	\$ 11,422	\$ 11,422	NM
Summit Growth Equity XI	\$ 45,000	10/1/2021	\$ 0	\$ -	\$ (83)	\$ (83)	NM
Summit Venture Capital III	\$ 13,150	5/27/2011	\$ 17,952	\$ 32,437	\$ 2,988	\$ 35,425	17.7%
Summit Venture Capital IV	\$ 40,000	8/26/2015	\$ 48,467	\$ 48,377	\$ 64,043	\$ 112,420	51.9%
Summit Venture Capital V	\$ 45,000	6/16/2020	\$ 15,792	\$ 773	\$ 11,701	\$ 12,474	NM
Summit Partners Co-Invest (CS)	\$ 12,000	10/22/2021	\$ 12,000	\$ -	\$ 11,968	\$ 11,968	NM
Technology Crossover Ventures VIII	\$ 60,000	5/8/2013	\$ 52,307	\$ 39,509	\$ 113,597	\$ 153,107	18.4%
Technology Crossover Ventures IX*	\$ 60,000	2/19/2016	\$ 48,427	\$ 27,666	\$ 80,961	\$ 108,627	28.8%
TCV Sports	\$ 8,000	9/25/2018	\$ 8,000	\$ -	\$ 14,231	\$ 14,231	19.4%
Technology Crossover Ventures X	\$ 45,000	8/31/2018	\$ 33,774	\$ -	\$ 96,006	\$ 96,006	75.8%
Technology Crossover Ventures XI	\$ 45,000	10/2/2020	\$ 19,087	\$ -	\$ 20,942	\$ 20,942	NM
Technology Impact Fund*	\$ 40,000	12/18/2017	\$ 32,648	\$ 10,887	\$ 79,335	\$ 90,222	75.4%
Technology Impact Fund II*	\$ 40,000	4/13/2021	\$ 6,883	\$ -	\$ 2,953	\$ 2,953	NM
Technology Impact Growth Fund*	\$ 40,000	11/26/2018	\$ 47,422	\$ 18,121	\$ 48,087	\$ 66,208	29.4%
Technology Impact Growth Fund II	\$ 40,000	8/6/2021	\$ 4,202	\$ -	\$ 2,904	\$ 2,904	NM
Thoma Bravo Fund XI	\$ 50,000	5/1/2014	\$ 69,098	\$ 118,090	\$ 87,537	\$ 205,627	30.1%
Thoma Bravo Fund XII	\$ 60,000	4/27/2016	\$ 70,219	\$ 29,897	\$ 105,435	\$ 135,332	18.3%
Thoma Bravo Fund XIII	\$ 45,000	12/7/2018	\$ 50,019	\$ 23,903	\$ 65,278	\$ 89,181	47.6%
Thoma Bravo Special Opportunities Fund II	\$ 15,000	3/27/2015	\$ 17,527	\$ 17,624	\$ 18,911	\$ 36,534	18.5%
Tillridge Global Agribusiness Partners II	\$ 50,000	10/21/2016	\$ 24,318	\$ 125	\$ 21,281	\$ 21,405	NM

(all dollar amounts in thousands)

## MainePERS Private Market Investments Summary: 03/31/2022

### Private Equity

Fund Name	Commitment (A)	Date of Commitment	Amount Contributed (B)	Total Distributions (C)	Current Market Value (D)	Total Value (C+D)	Interim Net IRR
Water Street Healthcare Partners III	\$ 25,000	7/25/2012	\$ 29,669	\$ 67,849	\$ 14,218	\$ 82,066	35.5%
Water Street Healthcare Partners IV	\$ 33,000	9/15/2017	\$ 31,714	\$ 10,624	\$ 18,666	\$ 29,290	9.2%
Wayzata Opportunities Fund III	\$ 30,000	9/11/2012	\$ 14,718	\$ 10,063	\$ 4,241	\$ 14,304	-1.7%
Wynnchurch Capital Partners IV	\$ 40,000	10/23/2014	\$ 36,991	\$ 35,093	\$ 54,815	\$ 89,908	30.8%
Wynnchurch Capital Partners V	\$ 40,000	1/15/2020	\$ 11,792	\$ -	\$ 14,042	\$ 14,042	NM

# MainePERS Private Market Investments Summary: 03/31/2022

## 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	\$ 23,752	\$ 668	\$ 25,404	\$ 26,071	NM
Angelo Gordon Realty Fund XI	\$ 50,000	3/31/2022	\$ -	\$ -	\$ -	\$ -	NM
Bain Capital Real Estate II	\$ 50,000	3/5/2021	\$ 15,667	\$ 920	\$ 18,587	\$ 19,507	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	\$ 28,663	\$ 426,215	\$ 454,878	8.4%
Blackstone Real Estate Partners VII	\$ 75,000	2/26/2012	\$ 100,163	\$ 129,409	\$ 38,562	\$ 167,971	15.6%
Blackstone Real Estate Partners VIII	\$ 50,000	3/27/2015	\$ 61,121	\$ 52,261	\$ 51,624	\$ 103,885	18.8%
Blackstone Real Estate Partners IX	\$ 40,000	12/21/2018	\$ 29,955	\$ 10,592	\$ 38,255	\$ 48,847	47.2%
Barings Asia Real Estate II	\$ 50,000	7/31/2018	\$ 18,916	\$ -	\$ 18,371	\$ 18,371	NM
EQT Real Estate II	\$ 55,000	4/26/2019	\$ 21,269	\$ 4,956	\$ 18,826	\$ 23,781	NM
EQT Real Estate Rock Co-Investment	\$ 11,000	8/10/2020	\$ 8,576	\$ -	\$ 11,357	\$ 11,357	NM
H/2 Credit Partners, L.P.	\$ 75,000	6/21/2011	\$ 75,000	\$ 112,177	\$ -	\$ 112,177	5.9%
Harrison Street Core Property Fund, L.P.	\$ 75,000	4/30/2012	\$ 94,498	\$ 46,681	\$ 127,858	\$ 174,539	8.8%
HSRE-Coyote Maine PERS Core Co-Investment	\$ 20,000	12/4/2020	\$ 14,000	\$ -	\$ 17,113	\$ 17,113	NM
High Street Real Estate Fund IV, L.P.	\$ 25,000	8/23/2013	\$ 24,717	\$ 34,157	\$ -	\$ 34,157	14.7%
High Street Real Estate Fund V*	\$ 25,000	7/24/2015	\$ 24,925	\$ 36,045	\$ 131	\$ 36,176	13.3%
High Street Real Estate Fund VI	\$ 25,000	3/22/2019	\$ 25,000	\$ 1,798	\$ 30,700	\$ 32,497	20.4%
HSREF VI Elgin Co-Invest	\$ 10,000	4/9/2021	\$ 10,000	\$ 542	\$ 12,412	\$ 12,954	NM
High Street Real Estate Fund VII	\$ 35,000	8/16/2021	\$ 0	\$ -	\$ (428)	\$ (428)	NM
Hines US Property Partners	\$ 200,000	9/9/2021	\$ 57,508	\$ 3,568	\$ 53,969	\$ 57,537	NM
Invesco Real Estate Asia IV	\$ 30,000	3/25/2020	\$ 16,296	\$ 8,779	\$ 6,580	\$ 15,359	-22.9%
Invesco US Income Fund	\$ 195,000	7/17/2014	\$ 164,001	\$ 50,278	\$ 272,720	\$ 322,998	12.7%
IPI Data Center Partners I	\$ 30,000	12/15/2017	\$ 31,645	\$ 16,578	\$ 40,730	\$ 57,308	27.4%
IPI Data Center Partners II	\$ 25,000	12/20/2019	\$ 10,563	\$ 1,619	\$ 8,806	\$ 10,425	NM
JPMCB Strategic Property Fund	\$ 130,000	11/15/2005	\$ 186,941	\$ 297,519	\$ -	\$ 297,519	5.9%
KKR Real Estate Partners Europe I	\$ 50,000	12/2/2015	\$ 50,849	\$ 42,679	\$ 23,915	\$ 66,594	11.0%
KKR Real Estate Partners Europe II	\$ 25,000	12/23/2019	\$ 15,972	\$ 520	\$ 18,044	\$ 18,564	47.1%
KKR Real Estate Partners Americas I	\$ 50,000	12/20/2013	\$ 49,776	\$ 59,226	\$ -	\$ 59,226	11.2%

# MainePERS Private Market Investments Summary: 03/31/2022

## 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
KKR Real Estate Partners Americas II	\$ 50,000	6/2/2016	\$ 54,400	\$ 54,792	\$ 25,436	\$ 80,228	25.4%
Northbridge-Strategic Fund II	\$ 30,000	2/8/2019	\$ 30,000	\$ 2,653	\$ 31,401	\$ 34,054	4.3%
Prima Mortgage Investment Trust, LLC	\$ 75,000	7/29/2011	\$ 97,453	\$ 46,880	\$ 86,455	\$ 133,336	4.0%
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%
Rubenstein Properties Fund III	\$ 30,000	10/23/2015	\$ 30,606	\$ 627	\$ 31,282	\$ 31,909	1.3%
LCC Co-Investor B	\$ 15,000	10/18/2019	\$ 14,917	\$ -	\$ 14,413	\$ 14,413	-1.7%
Rubenstein Properties Fund IV*	\$ 25,000	4/16/2019	\$ 5,700	\$ 56	\$ 2,183	\$ 2,238	NM
Prudential Senior Housing Fund V	\$ 50,000	3/17/2015	\$ 41,333	\$ 3,783	\$ 52,483	\$ 56,266	7.3%
Smart Markets Fund, L.P.	\$ 195,000	6/17/2013	\$ 166,169	\$ 58,311	\$ 278,699	\$ 337,009	11.4%
Walton Street Real Estate Fund VII*	\$ 50,000	5/9/2012	\$ 43,990	\$ 49,099	\$ 12,509	\$ 61,608	10.0%
Walton Street Real Estate Fund VIII	\$ 50,000	10/23/2015	\$ 42,686	\$ 24,965	\$ 34,459	\$ 59,424	12.4%
Co-Investment #1	\$ 10,000	9/27/2017	\$ 9,595	\$ 4,160	\$ 4,501	\$ 8,661	-3.5%
Westbrook Real Estate Fund IX	\$ 15,000	6/30/2014	\$ 17,371	\$ 17,080	\$ 3,498	\$ 20,578	6.4%
Westbrook Real Estate Fund X	\$ 50,000	1/15/2015	\$ 48,395	\$ 42,123	\$ 18,421	\$ 60,544	11.2%
Westbrook Real Estate Fund XI	\$ 40,000	1/31/2019	\$ 14,296	\$ 2,758	\$ 13,384	\$ 16,142	NM

## MainePERS Private Market Investments Summary: 03/31/2022

**Notes:** \*As of 12/31/2021. NM = Not Meaningful. MainePERS only reports IRRs for funds with more than 24 months of history and for which Amount Contributed is greater than 50% of Commitments. "Date of Commitment" is not the date of first capital draw. The "IRR" presented uses interim estimates and may not be indicative of ultimate performance of partnership investments due to a number of factors including lags in valuation, maturity of fund, and differences in investment pace and strategy of various funds. Performance figures should not be used to compare returns among multiple funds or different limited partners. Private market investments are long-term investments which are expected to generate returns over the course of their entire life cycle of 10 or more years. Common industry practice dictates that any performance analysis on these funds while they are still in the early years of their investment cycle would not generate meaningful results. The Interim Net IRR figures presented in this table are based on cash flow information provided by the general partner. The above information was not prepared, reviewed, or approved by any of the partnerships, general partners, or their affiliates and may differ from those generated by the general partner or other limited partners due to differences in timing of investments, disposal of in-kind distributions, and accounting and valuation policies.

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# MAINEPERS

## BOARD OF TRUSTEES ACTUARIAL MEMORANDUM

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**TO:** BOARD MEMBERS  
**FROM:** DR. REBECCA M. WYKE, CHIEF EXECUTIVE OFFICER  
**SUBJECT:** UAL STATUS AND RATE-SETTING  
**DATE:** JULY 12, 2022

---

Gene Kalwarski from Cheiron will join the meeting to discuss two topics: the status of the 1996 Unfunded Actuarial Liability and the upcoming rate-setting.

### **POLICY REFERENCE**

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

### **1996 UNFUNDED ACTUARIAL LIABILITY (UAL) UPDATE**

As follow up to the discussion at the June meeting, Gene will present additional information about the status of the 1996 UAL. A copy of his presentation is included with this memo.

### **FY 2024-2025 RATES**

As we discussed in June, every two years the Board adopts the employer contribution rates that will apply to the State-sponsored plans in the upcoming biennium. The information needed to develop the rates includes the value of the assets as of the June 30<sup>th</sup> fiscal year end. Because the State needs these rates as the basis for beginning the biennial budget process in July, the turnaround time is extremely tight for providing the Board with the information to make a decision at the July meeting. The FY 2024 and FY 2025 rate-setting information is now available for review and I invite you to reach out to me if you have any questions in advance of Thursday's Board meeting.

In June we presented to you an approach that would accelerate up to 30% of the estimated deferred asset gains to stabilize the contribution rates for FY 2024 and FY 2025. This information was based on our best estimate at the time that FY 2022 would yield an approximate 1% return. The actual rate of return for FY 2022 used in the rate-setting process was a negative 2.31%. The impact of the negative return on the estimated deferred asset gains now renders this option less desirable.

Cheiron has developed a different approach that would accelerate the amortization of the 2014 experience gain by six years, from 2034 to 2028 to coincide with the payoff of the 1996 UAL.

This option would stabilize the contribution rates for FY 2024 and FY 2025 keeping the composite rate for the State Employee/Teacher plan below 20% of payroll in the next biennium.

At the Board meeting Cheiron will present three options to you. The first option makes no adjustments. The second option is the same as the one presented in June, to accelerate the recognition of up to 30% of the estimated deferred asset gains remaining. As noted above, this option is less desirable now as it has little impact on the rates due to the negative return at fiscal year end. The third option is the new approach developed by Cheiron that would accelerate the amortization of the 2014 experience gain by six years, from 2034 to 2028 and has the most impact on stabilizing the FY 2024 and FY 2025 rates.

Again, please feel welcome to reach out with any questions you may have in advance of the meeting.

## **RECOMMENDATION**

*That the Board approve the recommended rates for the State Employee and Teacher Retirement Program, Judicial Retirement Program and Legislative Retirement Program for fiscal years 2024 and 2025 based on Option 3 in Cheiron's presentation, notwithstanding Board Policy 2.2.*

# Maine Public Employees Retirement System



## Status of the 1996 Unfunded Actuarial Liability

July 14, 2022

Gene Kalwarski, FSA



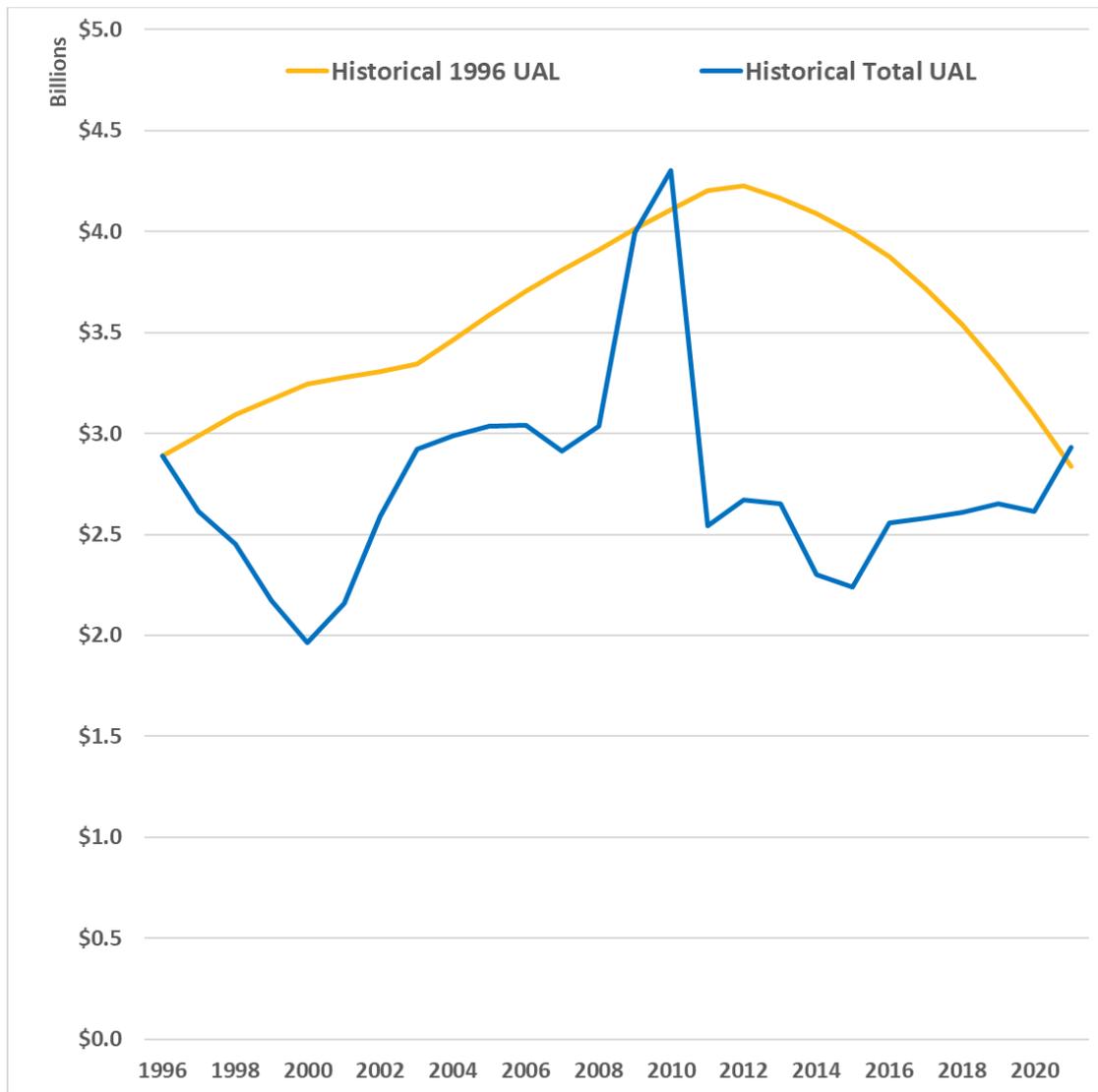


*Payment of unfunded liabilities of the Maine State Retirement System. Each fiscal year beginning with the fiscal year starting July 1, 1997, the Legislature shall appropriate funds that will retire in 31 years or less the unfunded liabilities of the Maine State Retirement System that are attributable to state employees and teachers.*

# 1996-2021 Payments Towards 1996 UAL



FYB 1-Jul	1996 UAL	1996 UAL payment
1996	2,888,985,772	123,965,519
1997	2,991,275,887	130,268,348
1998	3,095,199,119	168,011,907
1999	3,168,211,953	171,975,150
2000	3,242,947,092	217,206,330
2001	3,276,655,419	221,419,138
2002	3,308,682,335	218,375,512
2003	3,346,434,432	143,010,284
2004	3,465,528,540	150,875,849
2005	3,585,976,041	159,174,021
2006	3,707,435,629	178,320,289
2007	3,809,660,620	186,790,503
2008	3,911,015,737	195,663,052
2009	4,011,015,931	204,957,047
2010	4,109,118,723	214,693,269
2011	4,204,718,019	274,642,115
2012	4,225,136,373	352,384,829
2013	4,166,523,477	364,718,298
2014	4,090,888,412	374,661,964
2015	3,994,584,554	387,775,133
2016	3,877,846,758	411,021,472
2017	3,719,533,222	422,324,562
2018	3,538,650,454	431,567,895
2019	3,331,613,879	443,436,012
2020	3,098,340,210	455,630,502
2021	2,836,721,233	464,495,235



July 14, 2022



- Irregular pattern of growth until 2012
  - Discount rate/payroll growth assumptions changes
  - Amortization period adjustments made periodically
- Why the significant growth until 2012?
  - Amortization method is based on level % of payroll
  - Most common method in use by public pension plans

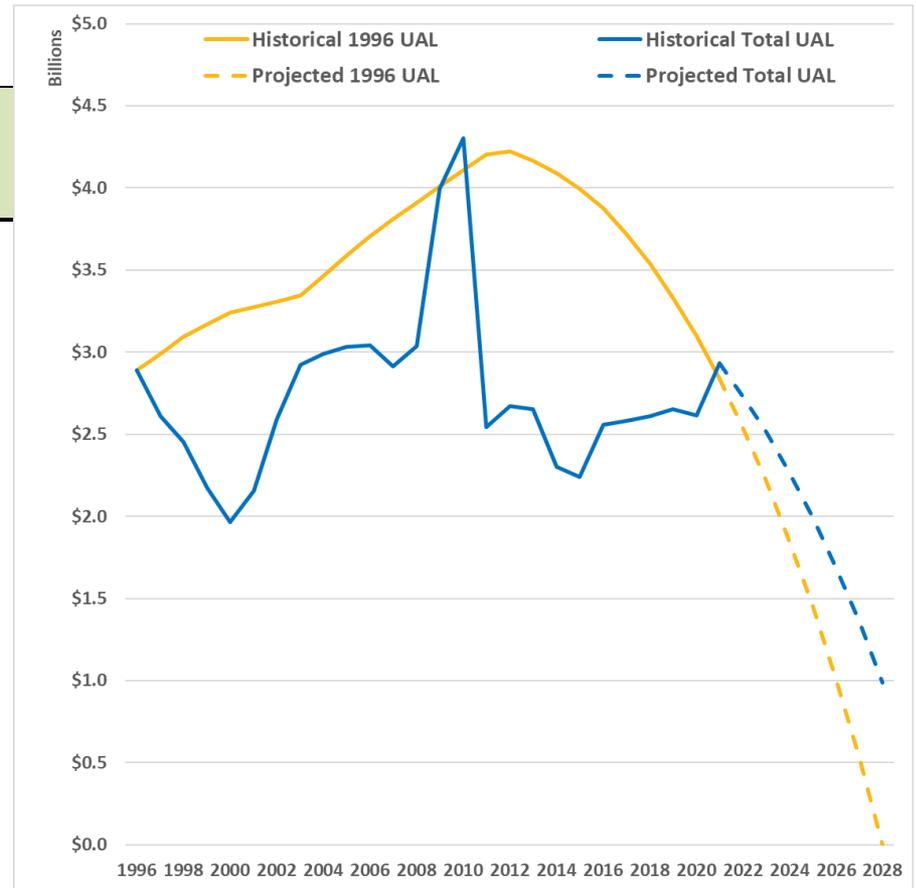


- 1997 - 2000 significant investment gains
- Upward UAL Spikes
  - 2001 - 2003 dot com bubble
  - 2009 – 2010 great recession
- 2011 reflected significant plan changes
- 2012 – 2021
  - Several strong investment gains
  - Several drops in discount rate, and experience study assumption changes

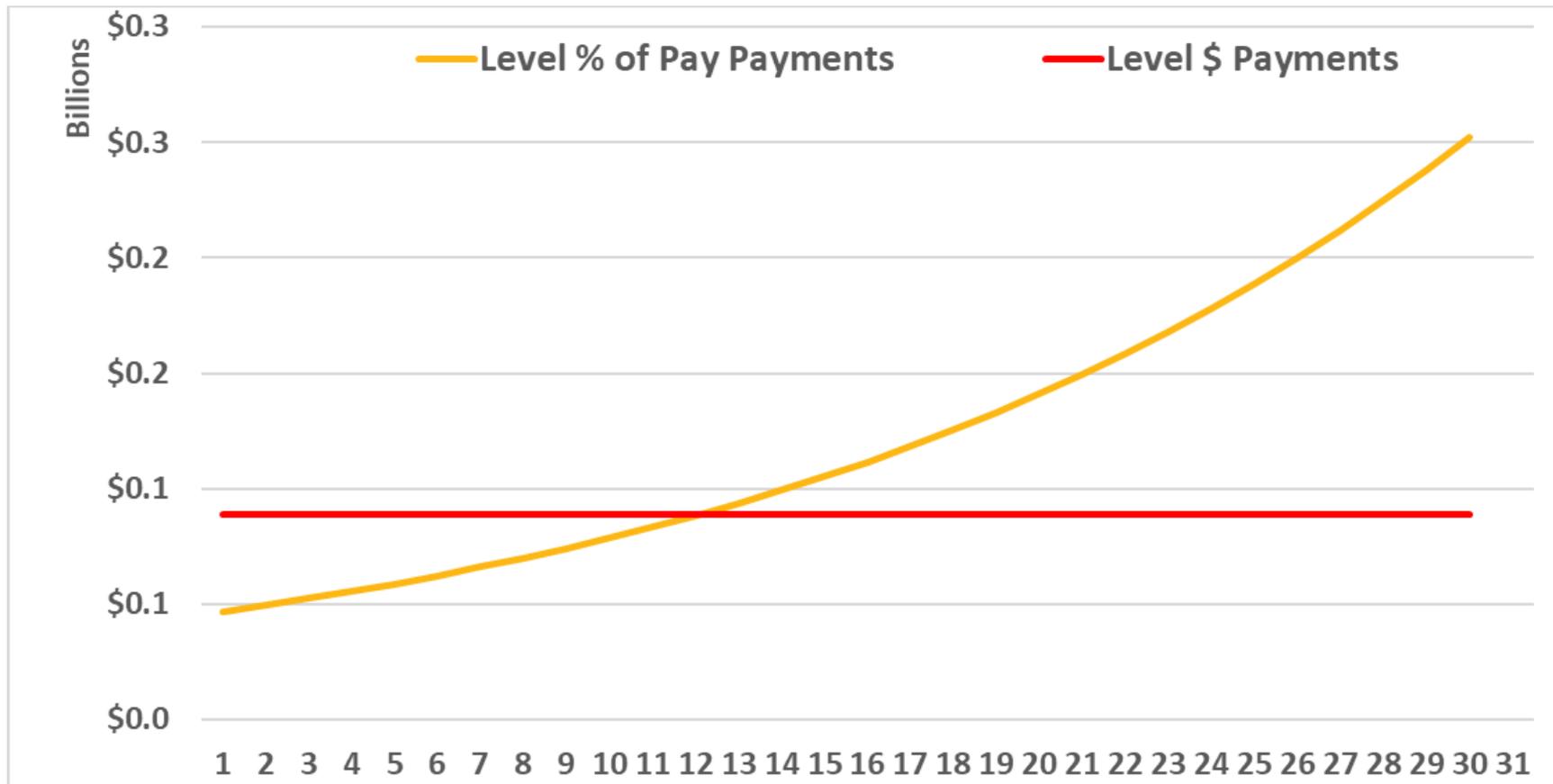
# Projecting the 1996 UAL to 2028



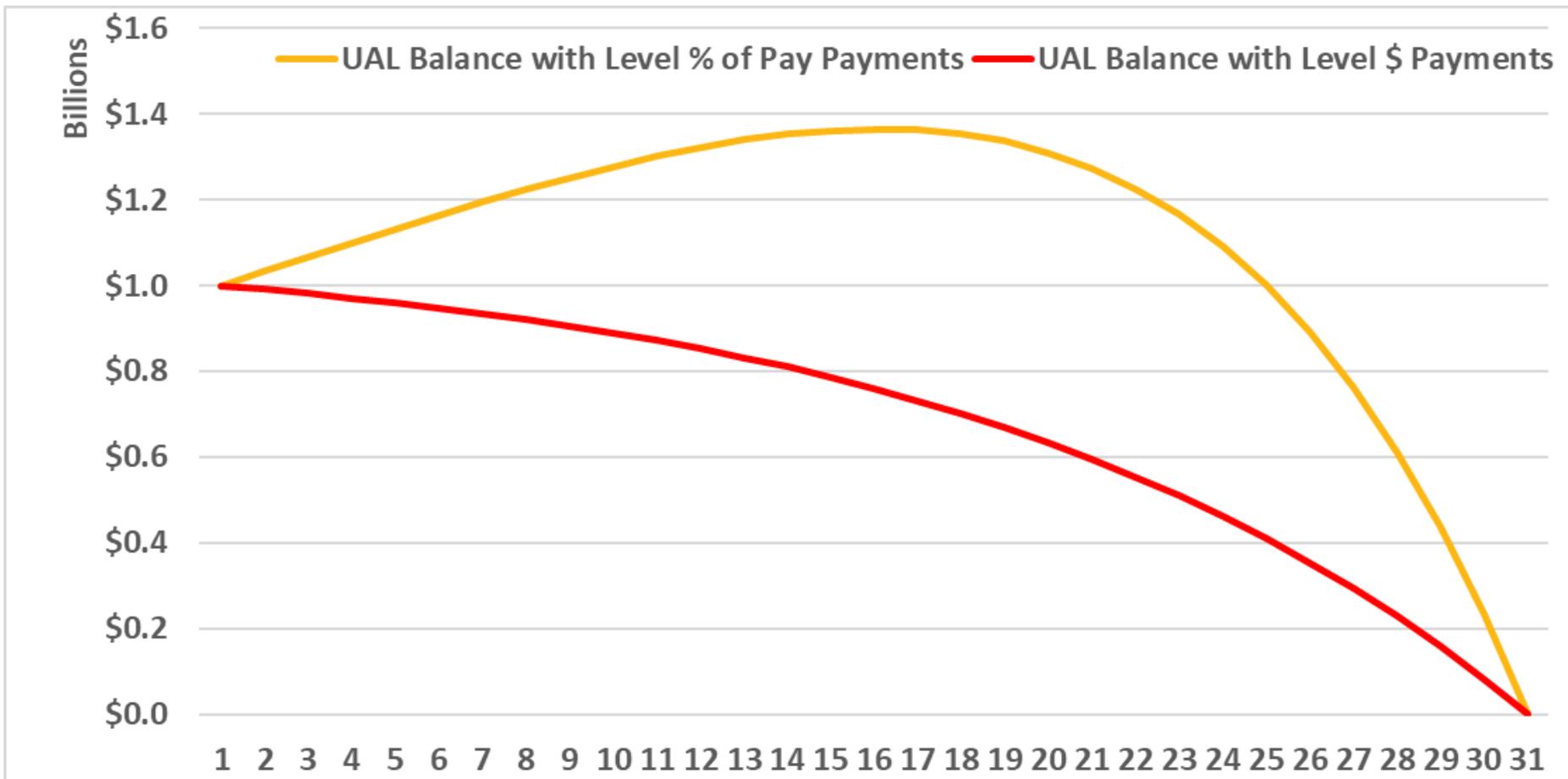
<b>FYB 1-Jul</b>	<b>1996 UAL</b>	<b>1996 UAL payment</b>
<b>2021</b>	<b>2,836,721,233</b>	<b>464,495,235</b>
<b>2022</b>	<b>2,541,754,432</b>	<b>477,268,854</b>
<b>2023</b>	<b>2,214,432,563</b>	<b>490,393,747</b>
<b>2024</b>	<b>1,852,290,035</b>	<b>503,879,575</b>
<b>2025</b>	<b>1,452,691,025</b>	<b>517,736,263</b>
<b>2026</b>	<b>1,012,818,139</b>	<b>531,974,011</b>
<b>2027</b>	<b>529,660,324</b>	<b>546,603,296</b>
<b>2028</b>	<b>0</b>	<b>0</b>



# Level \$ vs. Level % of pay amortization



# Level \$ vs. Level % of pay amortization

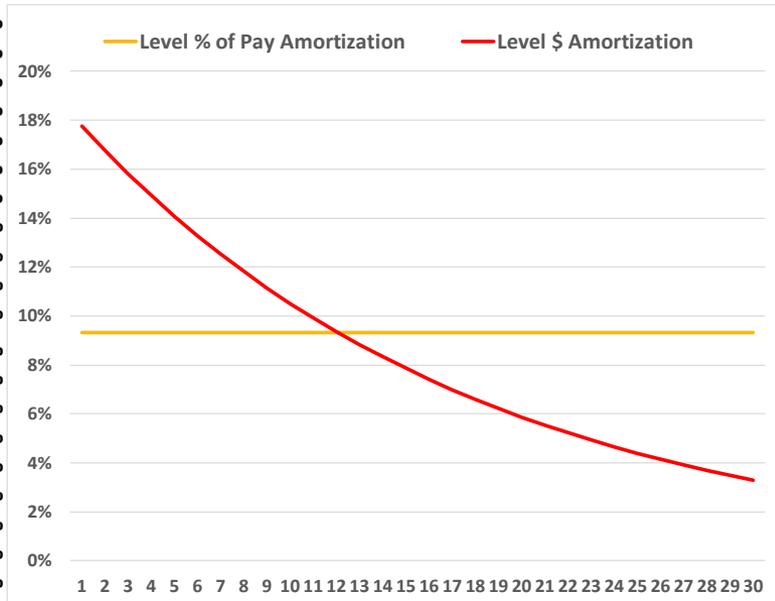


# Level \$ vs. Level % Compared to Payroll



Exhibit 3 - Level \$ vs. Level % Payments Divided by Payroll

Year	Emerging Patroll	Level% Pay Payment	Payment/ Payroll	Level \$ Payment	Payment/ Payroll
1	500,000,000	46,595,373	9.32%	88,827,433	17.77%
2	530,000,000	49,391,095	9.32%	88,827,433	16.76%
3	561,800,000	52,354,561	9.32%	88,827,433	15.81%
4	595,508,000	55,495,835	9.32%	88,827,433	14.92%
5	631,238,480	58,825,585	9.32%	88,827,433	14.07%
6	669,112,789	62,355,120	9.32%	88,827,433	13.28%
7	709,259,556	66,096,427	9.32%	88,827,433	12.52%
8	751,815,129	70,062,213	9.32%	88,827,433	11.82%
9	796,924,037	74,265,946	9.32%	88,827,433	11.15%
10	844,739,480	78,721,902	9.32%	88,827,433	10.52%
11	895,423,848	83,445,216	9.32%	88,827,433	9.92%
12	949,149,279	88,451,929	9.32%	88,827,433	9.36%
13	1,006,098,236	93,759,045	9.32%	88,827,433	8.83%
14	1,066,464,130	99,384,588	9.32%	88,827,433	8.33%
15	1,130,451,978	105,347,663	9.32%	88,827,433	7.86%
16	1,198,279,097	111,668,523	9.32%	88,827,433	7.41%
17	1,270,175,842	118,368,634	9.32%	88,827,433	6.99%
18	1,346,386,393	125,470,752	9.32%	88,827,433	6.60%
19	1,427,169,576	132,998,998	9.32%	88,827,433	6.22%
20	1,512,799,751	140,978,937	9.32%	88,827,433	5.87%
21	1,603,567,736	149,437,674	9.32%	88,827,433	5.54%
22	1,699,781,800	158,403,934	9.32%	88,827,433	5.23%
23	1,801,768,708	167,908,170	9.32%	88,827,433	4.93%
24	1,909,874,831	177,982,660	9.32%	88,827,433	4.65%
25	2,024,467,321	188,661,620	9.32%	88,827,433	4.39%
26	2,145,935,360	199,981,317	9.32%	88,827,433	4.14%
27	2,274,691,481	211,980,196	9.32%	88,827,433	3.91%
28	2,411,172,970	224,699,008	9.32%	88,827,433	3.68%
29	2,555,843,349	238,180,949	9.32%	88,827,433	3.48%
30	2,709,193,949	252,471,805	9.32%	88,827,433	3.28%
31	2,871,745,586	#N/A	#N/A	#N/A	#N/A



# Required Disclosures



In preparing this presentation, we relied on information supplied by the Maine Public Employees Retirement System. This information includes, but is not limited to, the plan provisions, employee data, and financial information. We performed an informal examination of the obvious characteristics of the data for reasonableness and consistency in accordance with Actuarial Standard of Practice No. 23.

The actuarial assumptions, data and methods are those used in the preparation of the latest actuarial valuation reports prepared for these plans as of June 30, 2021.

The results of this presentation rely on future plan experience conforming to the underlying assumptions and methods outlined in the reports. Future results may differ significantly from the current results presented in this presentation due to such factors as the following: plan experience differing from that anticipated by the assumptions, changes in assumptions, and changes in plan provisions or applicable law.

This presentation and its contents have been prepared in accordance with generally recognized and accepted actuarial principles and practices and our understanding of the Code of Professional Conduct and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board as well as applicable laws and regulations. Furthermore, as credentialed actuaries, we meet the Qualification Standards of the American Academy of Actuaries to render the opinion contained in this presentation. This presentation does not address any contractual or legal issues. We are not attorneys, and our firm does not provide any legal services or advice.

Cheiron's presentation was prepared solely for the Maine Public Employees Retirement System for the purposes described therein, except that the plan auditor may rely on the report solely for the purpose of completing an audit related to the matters herein. Other users of this presentation are not intended users as defined in the Actuarial Standards of Practice, and Cheiron assumes no duty or liability to any other user.

# Maine Public Employees Retirement System



## Rollforward Pension Valuation & Group Life Insurance Contributions

July 14, 2022

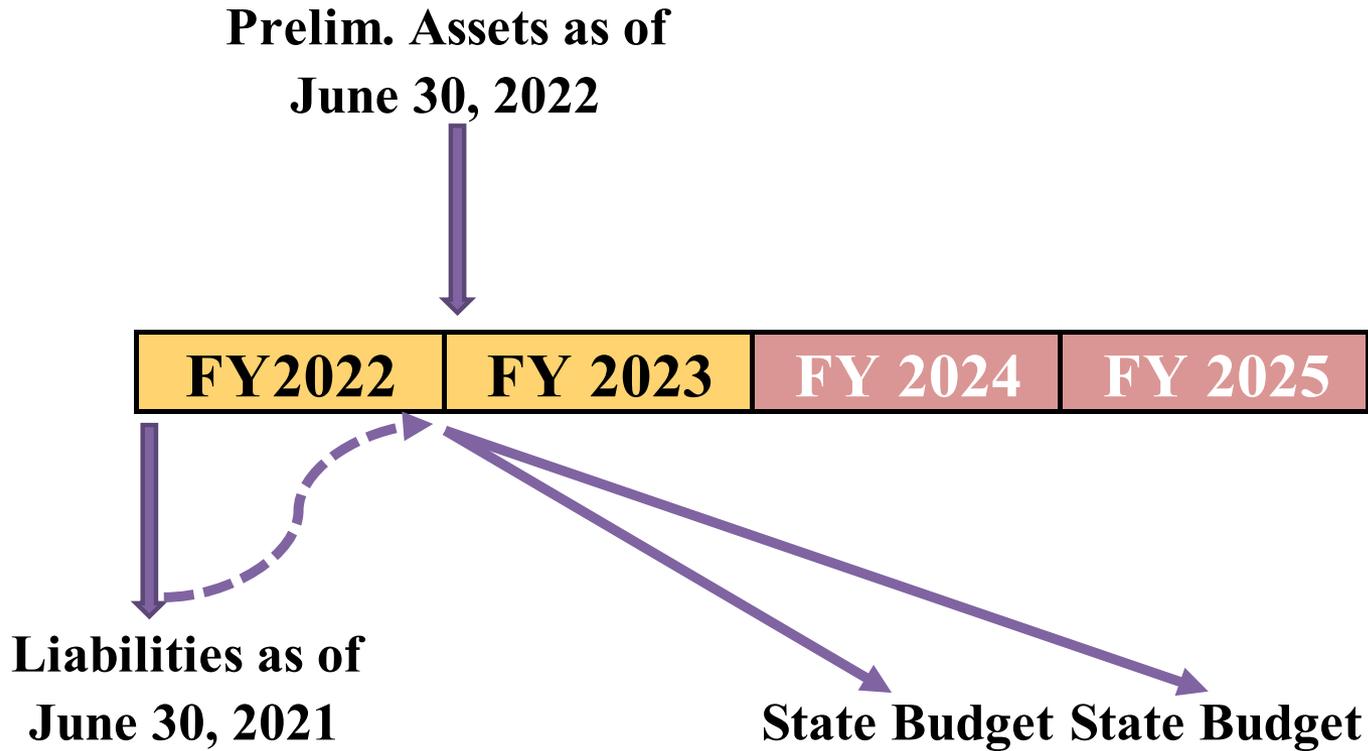
Gene Kalwarski, FSA, MAAA, EA  
Fiona Liston, FSA, MAAA, EA  
Ryan Benitez, ASA, MAAA





- Maine Budget Cycle Timing
- FY 2024 and 2025 State Budget
  - Options to Consider
- Group Life Insurance (GLI)

# Maine Budget Cycle Timing

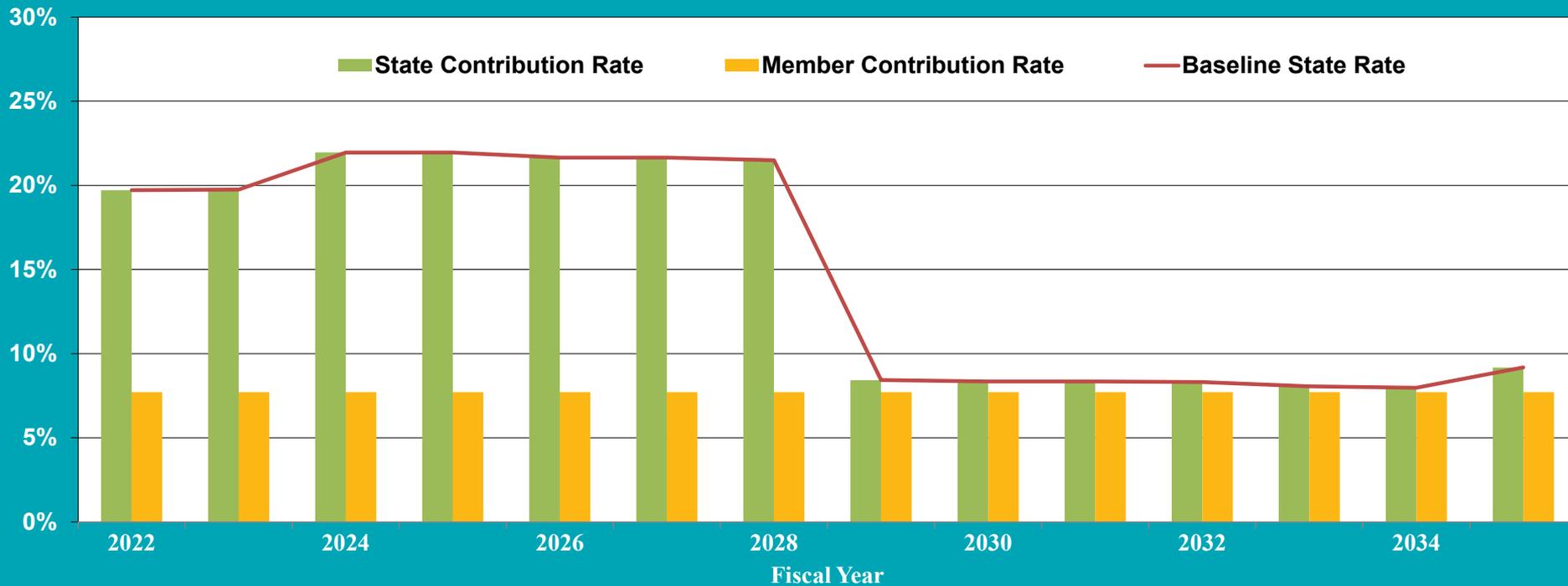


## Option 1: FY 24/25 Biennium Budget as calculated



- FY22/23 Budget \$861 million
- Estimated FY 24/25 Budget \$909 million
- Actual FY 24/25 Budget without adjustment \$1,027
  - Represents a 13% increase over estimated
  - Increase largely driven by FYE 2022 return of negative 2.31%

# Option 1: Projected Long-Term Impact





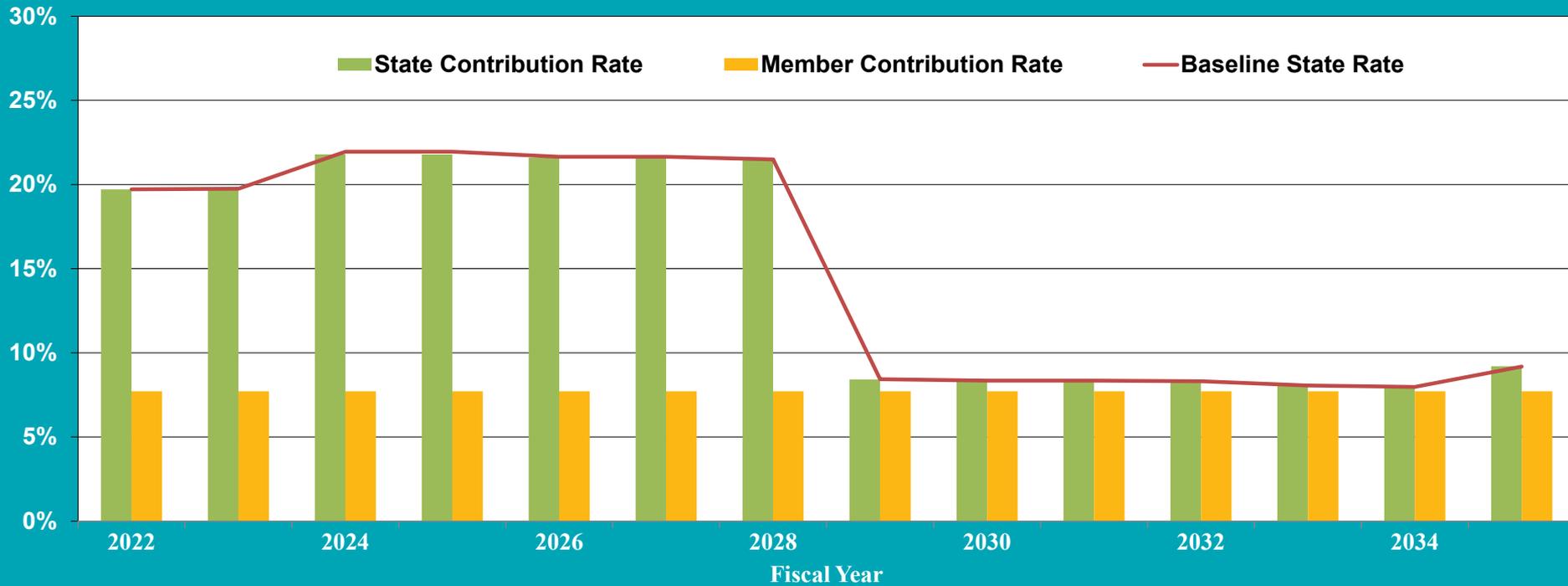
- Historically whenever budget changes were large, options were developed to mitigate the volatility (both upside and downside)
  - Two other options to consider
    - accelerate recognition of deferred asset gains, and
    - shorten amortization period for prior UAL gain base

## Option 2: Accelerate Recognition of Deferred Gains



- Current actuarial smoothing equals the expected actuarial value of assets (AVA) plus one third of the difference between the market value of assets (MVA) and the AVA
  - The difference between the MVA and AVA represents deferred asset gains which get phased in over future years
  - Maintaining the current smoothing approach would accept 1/3 of the \$227 million of existing gains leaving \$152 million unrecognized as deferred asset gains
- There have been previous discussions to recognize a portion, not to exceed 30%, of remaining deferred asset gains (\$152 million in FY 22) to reduce the FY 24/25 Biennium requirement.
  - With the FY end return of -2.31% instead of a previous estimate of +1% this approach has a very minor impact
  - Reduces FY 24/25 Budget from \$1,027 to \$1,020 million

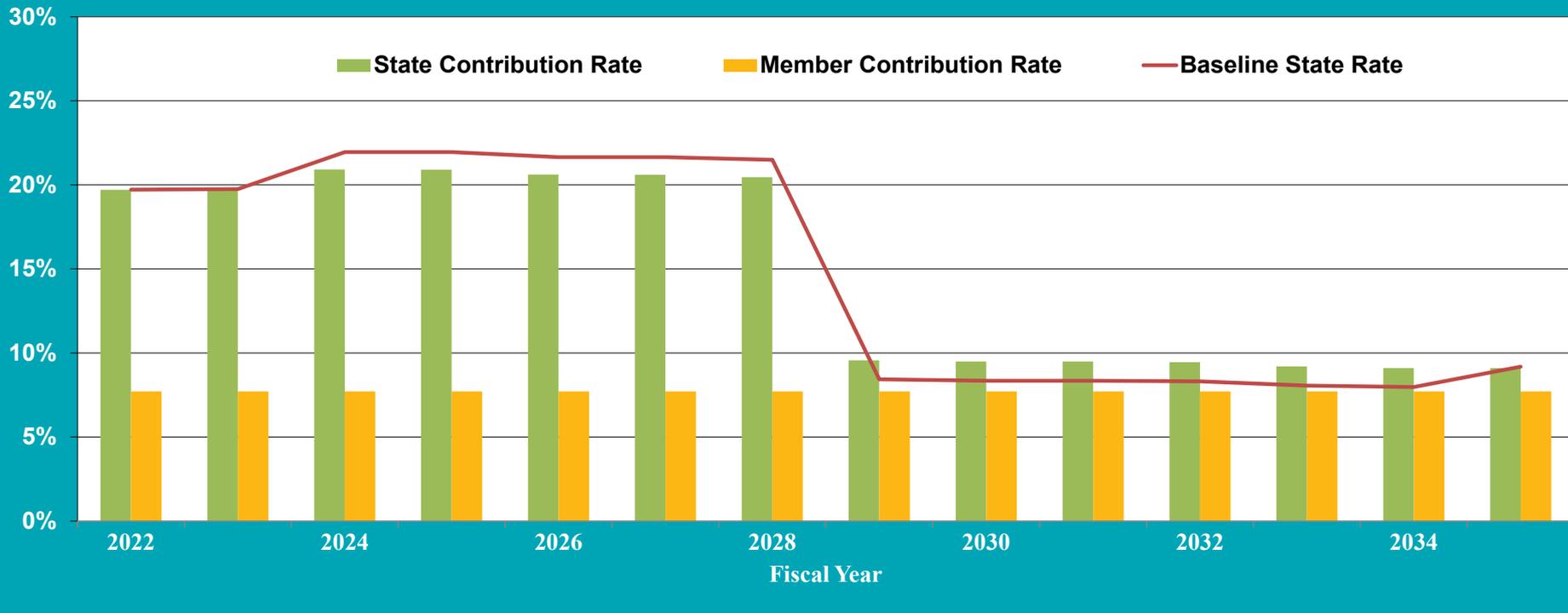
# Option 2: Projected Long-Term Impact





- State Constitution requires that *“unfunded liability resulting from experience losses must be retired over a period not exceeding 20 years”*, but is silent on experience gains
- The experience gain from 2014 has been amortized over a 20-year period but could be accelerated to match the period of the 1996 UAL which is through 2028
- If the remaining \$262 million 2014 gain base is also amortized to 2028 it will reduce contributions before 2028 and increase them for the period 2029-2034
  - Reduces FY 24/25 Budget from \$1,027 to \$978 million

# Option 3: Projected Long-Term Impact





- Options to consider (\$ in Millions)

	<b><u>Budget</u></b>
<b>Option 1</b>	<b>\$ 1,027</b>
<b>Option 2</b>	<b>\$ 1,020</b>
<b>Option 3</b>	<b>\$ 978</b>

- All three options meet actuarial standards of practice
- Cheiron's preference is for Option 3, 2028 amortization of 2014 gain base with no acceleration of deferred investment gains



# Retiree Group Life Insurance (GLI)

# Group Life Insurance Provisions



## Active Basic Life Benefits

Basic (100% Salary)

AD&D (Additional 100% Salary based on cause of death)

Supplemental (100 to 300% Salary)

Dependent Plan A (Spouse \$5,000, Child \$5,000, Child Under 6 Months \$1,000)

Dependent Plan B (Spouse \$10,000, Child \$5,000, Child Under 6 Months \$2,500)

## Retiree Basic Life Benefits

Year 1 100% Salary

Year 2 85% Salary

Year 3 70% Salary

Year 4 55% Salary

Year 5+ 40% Salary

## Basic Life Premiums (2020 Premium Study - Bi-weekly per \$1,000 of coverage)

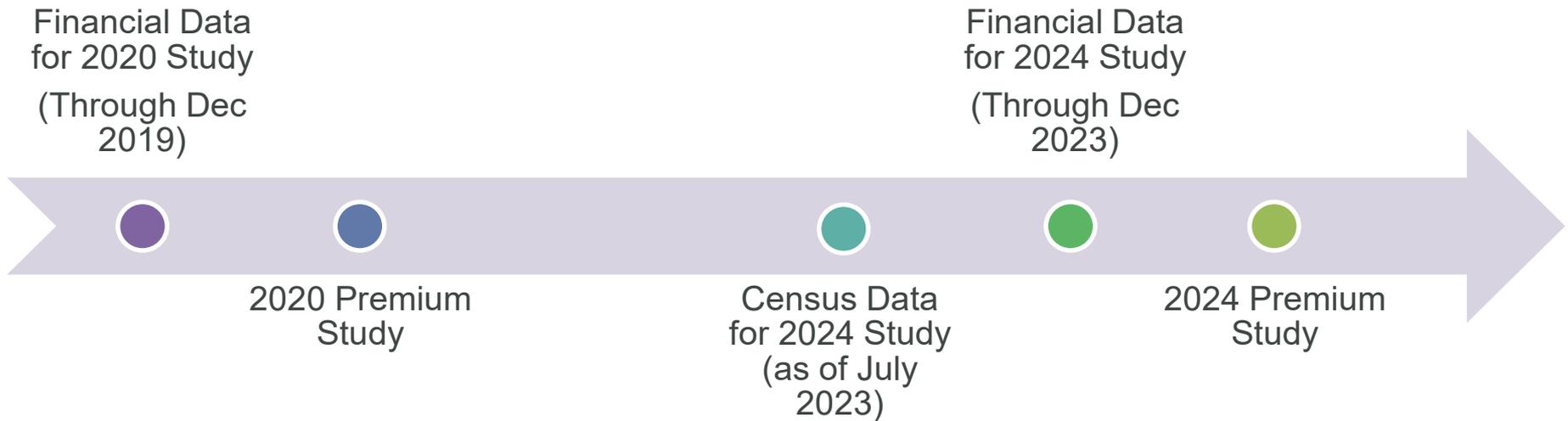
Active Benefits Premiums Paid while Active		
State \$.09	Teachers \$.05	PLD \$.11

Retiree Benefits Premiums Paid while Active		
State \$.29 (2020) \$.33 (2022) \$.36 (2024)	Teachers ADC	PLD \$.10 (2020) \$.11 (2022) \$.12 (2024) \$.13 (2026)

Retiree Benefits Premiums Paid while Retired		
State None	Teachers None	PLD \$.21 (2020) \$.22 (2022) \$.23 (2024) \$.24 (2026)

State group includes Judicial and Legislative members as well as those in the State Employees Program

# Premium Study Timing



- We recommend continuing premium studies every 4 years
  - Monitor results in the interim and doing earlier study if significant changes



- Projected Actuarially Determined Contribution (ADC) for the State & Teachers retiree benefits determined with 6.50% discount rate.
- ADC is currently only contributed for Teachers Retiree GLI benefits. State Retirees ADC shown for reference.
- GLI Retiree Assets as of June 30, 2022
  - State - \$46.0 million
  - Teachers - \$77.2 million

Actuarially Determined Contribution (ADC)	State		Teachers	
	FYE 2024	FYE 2025	FYE 2024	FYE 2025
Normal Cost	\$ 1,424,106	\$ 1,463,269	\$ 1,486,414	\$ 1,527,290
UAL Amortization <sup>1</sup>	\$ 6,773,317	\$ 6,959,583	\$ 3,372,840	\$ 3,465,593
<b>Total ADC</b>	<b>\$ 8,197,423</b>	<b>\$ 8,422,852</b>	<b>\$ 4,859,254</b>	<b>\$ 4,992,883</b>

<sup>1</sup>Amortized as a level percent of pay over 14 and 13 years, respectively.

# Required Disclosures



In preparing this presentation, we relied on information supplied by the Maine Public Employees Retirement System.

The actuarial assumptions, data, and methods are those used in the preparation of the latest actuarial valuation report prepared for these plans as of June 30, 2021, rolled forward to June 30, 2022.

The results of this presentation rely on future plan experience conforming to the underlying assumptions and methods outlined in the reports. Future results may differ significantly from the current results presented in this presentation due to such factors as the following: plan experience differing from that anticipated by the assumptions; changes in assumptions; and changes in plan provisions or applicable law.

This presentation and its contents have been prepared in accordance with generally recognized and accepted actuarial principles and practices and our understanding of the Code of Professional Conduct and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board as well as applicable laws and regulations. Furthermore, as credentialed actuaries, we meet the Qualification Standards of the American Academy of Actuaries to render the opinion contained in this presentation. This presentation does not address any contractual or legal issues. We are not attorneys, and our firm does not provide any legal services or advice.

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Gene Kalwarski, FSA, MAAA, EA  
Principal Consulting Actuary

Fiona Liston, FSA, MAAA, EA  
Principal Consulting Actuary

Ryan Benitez, ASA, MAAA  
Associate Actuary

July 14, 2022



# Appendices

Detailed rates for each Option

# June 30, 2022 “Rollforward” Valuation Results



## OPTION 1

	Total STATE MainePERS	Teachers	All State Employees	Judicial	Legislative
<b><u>7/1/2021 Valuation</u></b>					
Actuarial Liability	16,484,575,553	10,736,439,623	5,661,669,895	75,787,564	10,678,471
Actuarial Value of Assets	13,557,127,259	8,934,933,743	4,525,936,529	81,207,552	15,049,435
Market Value of Assets	15,007,196,647	9,890,613,635	5,010,030,385	89,893,506	16,659,121
Unfunded Actuarial Liability (UAL)	2,927,448,294	1,801,505,880	1,135,733,366	(5,419,988)	(4,370,964)
Actuarial Value Funding Ratio	82.24%	83.22%	79.94%	107.15%	140.93%
Market Value Funding Ratio	91.04%	92.12%	88.49%	118.61%	156.01%

<b><u>7/1/2022 Roll Forward Valuation</u></b>					
Actuarial Liability	17,024,635,133	11,095,768,405	5,840,060,347	77,614,880	11,191,501
Actuarial Value of Assets	14,361,449,386	9,403,526,421	4,858,518,362	83,665,472	15,739,131
Market Value of Assets	14,514,565,488	9,503,783,107	4,910,317,966	84,557,480	15,906,936
Unfunded Actuarial Liability (UAL)	2,663,185,747	1,692,241,984	981,541,985	(6,050,591)	(4,547,630)
Actuarial Value Funding Ratio	84.36%	84.75%	83.19%	107.80%	140.63%
Market Value Funding Ratio	85.26%	85.65%	84.08%	108.94%	142.13%

Based on Total MainePERS market value estimate of \$18.14 billion and estimated amounts of contributions, benefit payments, and administrative expenses for FYE June 30, 2022

July 14, 2022

# June 30, 2022 “Rollforward” Valuation Results



## OPTION 1

	Regular State Employees	State Police	Inland Fish & Wildlife	Forest Ranger	25 & Out Plan	98 Special Plan	Fire Marshalls
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### 7/1/2021 Valuation

Actuarial Liability	4,760,482,177	134,372,387	45,606,281	22,366,571	249,634,716	444,778,481	4,429,282
Actuarial Value of Assets	3,837,853,657	134,161,070	45,398,862	22,211,657	184,795,207	299,642,789	1,873,287
Market Value of Assets	4,248,350,217	148,510,929	50,254,721	24,587,414	204,560,889	331,692,561	2,073,654
Unfunded Actuarial Liability	922,628,520	211,317	207,419	154,914	64,839,509	145,135,692	2,555,995
Actuarial Value Funding Ratio	80.62%	99.84%	99.55%	99.31%	74.03%	67.37%	42.29%
Market Value Funding Ratio	89.24%	110.52%	110.19%	109.93%	81.94%	74.57%	46.82%

### 7/1/2022 Roll Forward Valuation

Actuarial Liability	4,901,022,248	130,401,108	44,077,842	21,994,917	265,318,467	472,383,175	4,862,590
Actuarial Value of Assets	4,093,507,100	130,216,106	43,896,271	21,859,314	208,536,963	357,874,719	2,627,890
Market Value of Assets	4,137,150,456	131,604,418	44,364,276	22,092,369	210,760,301	361,690,238	2,655,907
Unfunded Actuarial Liability	807,515,147	185,003	181,571	135,604	56,781,504	114,508,456	2,234,700
Actuarial Value Funding Ratio	83.52%	99.86%	99.59%	99.38%	78.60%	75.76%	54.04%
Market Value Funding Ratio	84.41%	100.92%	100.65%	100.44%	79.44%	76.57%	54.62%

Based on Total MainePERS market value estimate of \$18.14 billion and estimated amounts of contributions, benefit payments, and administrative expenses for FYE June 30, 2022

July 14, 2022

# Fiscal Years 2024 & 2025 State Contributions



## OPTION 1

**FYE 2024**

	Total STATE MainePERS	Teachers	All State Employees	Judicial	Legislative
Normal Cost as a % of payroll		4.47%	see next page	12.21%	5.74%
UAL amortization as a % of payroll		15.57%	see next page	-8.02%	-5.74%
Total Contribution Rate		20.04%	see next page	4.19%	0.00%
Estimated Normal Cost dollars	\$ 113,811,243	\$ 70,322,491	\$ 42,164,715	\$ 1,141,187	\$ 182,850
Estimated UAL amortization dollars	\$ 392,861,667	\$ 244,901,188	\$ 148,893,024	\$ (749,695)	\$ (182,850)
Estimated Total Appropriation	\$ 506,672,910	\$ 315,223,679	\$ 191,057,739	\$ 391,492	\$ -

**FYE 2025**

Normal Cost as a % of payroll		4.47%	see next page	12.21%	5.74%
UAL amortization as a % of payroll		15.57%	see next page	-8.06%	-5.74%
Total Contribution Rate		20.04%	see next page	4.15%	0.00%
Estimated Normal Cost dollars	\$ 116,732,508	\$ 72,256,359	\$ 43,122,453	\$ 1,166,750	\$ 186,946
Estimated UAL amortization dollars	\$ 403,666,295	\$ 251,635,971	\$ 152,987,582	\$ (770,312)	\$ (186,946)
Estimated Total Appropriation	\$ 520,398,803	\$ 323,892,330	\$ 196,110,035	\$ 396,438	\$ -

Estimated Total Biennium Appropriation **\$ 1,027,071,713**

Prior Biennium Total Appropriation **\$ 861,220,657**

Estimated Biennium Total Appropriation **\$ 909,239,000** note that this was before assumption changes and drop in interest rate

Based on Total MainePERS market value estimate of \$18.14 billion and estimated amounts of contributions, benefit payments, and administrative expenses for FYE June 30, 2022

July 14, 2022

# Fiscal Years 2024 & 2025 State Contributions



## OPTION 1

### FYE 2024

	Regular State Employees	State Police	Inland Fish & Wildlife	Forest Ranger	25 & Out Plan	98 Special Plan	Fire Marshalls
<b>Normal Cost % of payroll</b>	4.84%	13.21%	14.52%	3.25%	5.55%	5.33%	11.97%
<b>UAL amortization % of payroll</b>	17.09%	29.91%	31.08%	15.83%	18.81%	19.49%	26.79%
<b>Total Contribution Rate</b>	21.93%	43.12%	45.60%	19.08%	24.36%	24.82%	38.76%
<b>Estimated Normal Cost dollars</b>	\$ 34,702,857	\$ 12,611	\$ 12,835	\$ 4,177	\$ 2,530,773	\$ 4,751,584	\$ 149,878
<b>Est. UAL amortization dollars</b>	\$ 122,529,532	\$ 28,554	\$ 27,471	\$ 20,346	\$ 8,577,305	\$ 17,374,363	\$ 335,453
<b>Estimated Total Appropriation</b>	\$ 157,232,389	\$ 41,165	\$ 40,306	\$ 24,523	\$ 11,108,078	\$ 22,125,947	\$ 485,331

### FYE 2025

<b>Normal Cost % of payroll</b>	4.84%	13.21%	14.52%	3.25%	5.55%	5.33%	11.97%
<b>UAL amortization % of payroll</b>	17.17%	30.06%	31.23%	15.91%	18.90%	19.59%	26.92%
<b>Total Contribution Rate</b>	22.01%	43.27%	45.75%	19.16%	24.45%	24.92%	38.89%
<b>Estimated Normal Cost dollars</b>	\$ 35,493,449	\$ 12,893	\$ 13,123	\$ 4,271	\$ 2,587,463	\$ 4,858,019	\$ 153,235
<b>Est. UAL amortization dollars</b>	\$ 125,899,094	\$ 29,339	\$ 28,226	\$ 20,906	\$ 8,813,181	\$ 17,852,158	\$ 344,678
<b>Estimated Total Appropriation</b>	\$ 161,392,543	\$ 42,232	\$ 41,349	\$ 25,177	\$ 11,400,644	\$ 22,710,177	\$ 497,913

Based on Total MainePERS market value estimate of \$18.14 billion and estimated amounts of contributions, benefit payments, and administrative expenses for FYE June 30, 2022

July 14, 2022



## Reconciliation

## Biennium Costs

### OPTION 1

1 FY 22/23 Biennium	\$861.2
2 Estimated FY 24/25 Biennium	\$909.2
3 Actual FY 24/25 Biennium	<u>\$1,027.1</u>
4 Difference (3-2)	\$117.9

### Source of Difference

1 FY 22 asset loss	\$76.1
2 9/1/21 COLA loss	\$9.5
3 2021 valuation vs 2020 valuation	\$38.1
4 Other	<u>(\$5.8)</u>
Total	\$117.9



## OPTION 1

### Budget Rates by Year for Prior and Current Biennium

	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>
Teachers	18.13%	18.13%	20.04%	20.04%
All State Employees	22.74%	22.88%	22.39%	22.47%
<b>Composite State &amp; Teachers</b>	19.71%	19.75%	20.87%	20.89%
Judicial	6.99%	6.95%	4.19%	4.15%
Legislative	0.00%	0.00%	0.00%	0.00%
PLD Employer	10.80%	10.80%	11.00%	TBD
PLD Member	8.00%	7.80%	8.00%	TBD
PLD Total	18.80%	18.60%	19.00%	TBD

Based on Total MainePERS market value estimate of \$18.14 billion and estimated amounts of contributions, benefit payments, and administrative expenses for FYE June 30, 2022

# June 30, 2022 “Rollforward” Valuation Results



## OPTION 2

	Total STATE MainePERS	Teachers	All State Employees	Judicial	Legislative
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### 7/1/2021 Valuation

Actuarial Liability	16,484,575,553	10,736,439,623	5,661,669,895	75,787,564	10,678,471
Actuarial Value of Assets	13,557,127,259	8,934,933,743	4,525,936,529	81,207,552	15,049,435
Market Value of Assets	15,007,196,647	9,890,613,635	5,010,030,385	89,893,506	16,659,121
Unfunded Actuarial Liability (UAL)	2,927,448,294	1,801,505,880	1,135,733,366	(5,419,988)	(4,370,964)
Actuarial Value Funding Ratio	82.24%	83.22%	79.94%	107.15%	140.93%
Market Value Funding Ratio	91.04%	92.12%	88.49%	118.61%	156.01%

### 7/1/2022 Roll Forward Valuation

Actuarial Liability	17,024,635,133	11,095,768,405	5,840,060,347	77,614,880	11,191,501
Actuarial Value of Assets	14,407,384,216	9,433,603,427	4,874,058,243	83,933,074	15,789,473
Market Value of Assets	14,514,565,488	9,503,783,107	4,910,317,966	84,557,480	15,906,936
Unfunded Actuarial Liability (UAL)	2,617,250,917	1,662,164,978	966,002,104	(6,318,194)	(4,597,972)
Actuarial Value Funding Ratio	84.63%	85.02%	83.46%	108.14%	141.08%
Market Value Funding Ratio	85.26%	85.65%	84.08%	108.94%	142.13%

Based on Total MainePERS market value estimate of \$18.14 billion and estimated amounts of contributions, benefit payments, and administrative expenses for FYE June 30, 2022

July 14, 2022

# June 30, 2022 “Rollforward” Valuation Results



## OPTION 2

	Regular State Employees	State Police	Inland Fish & Wildlife	Forest Ranger	25 & Out Plan	98 Special Plan	Fire Marshalls
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### 7/1/2021 Valuation

Actuarial Liability	4,760,482,177	134,372,387	45,606,281	22,366,571	249,634,716	444,778,481	4,429,282
Actuarial Value of Assets	3,837,853,657	134,161,070	45,398,862	22,211,657	184,795,207	299,642,789	1,873,287
Market Value of Assets	4,248,350,217	148,510,929	50,254,721	24,587,414	204,560,889	331,692,561	2,073,654
Unfunded Actuarial Liability	922,628,520	211,317	207,419	154,914	64,839,509	145,135,692	2,555,995
Actuarial Value Funding Ratio	80.62%	99.84%	99.55%	99.31%	74.03%	67.37%	42.29%
Market Value Funding Ratio	89.24%	110.52%	110.19%	109.93%	81.94%	74.57%	46.82%

### 7/1/2022 Roll Forward Valuation

Actuarial Liability	4,901,022,248	130,401,108	44,077,842	21,994,917	265,318,467	472,383,175	4,862,590
Actuarial Value of Assets	4,106,228,847	130,219,101	43,899,211	21,861,510	209,456,464	359,729,032	2,664,078
Market Value of Assets	4,136,776,435	131,187,844	44,225,792	22,024,145	211,014,679	362,405,175	2,683,897
Unfunded Actuarial Liability	794,793,400	182,007	178,631	133,408	55,862,003	112,654,143	2,198,512
Actuarial Value Funding Ratio	83.78%	99.86%	99.59%	99.39%	78.95%	76.15%	54.79%
Market Value Funding Ratio	84.41%	100.60%	100.34%	100.13%	79.53%	76.72%	55.19%

Based on Total MainePERS market value estimate of \$18.14 billion and estimated amounts of contributions, benefit payments, and administrative expenses for FYE June 30, 2022

July 14, 2022

# Fiscal Years 2024 & 2025 State Contributions



## OPTION 2

FYE 2024

Total STATE MainePERS	Teachers	All State Employees	Judicial	Legislative	
Normal Cost as a % of payroll	4.47%	see next page	12.21%	5.74%	
UAL amortization as a % of payroll	15.41%	see next page	-8.38%	-5.74%	
Total Contribution Rate	19.88%	see next page	3.83%	0.00%	
Estimated Normal Cost dollars	\$ 113,811,243	\$ 70,322,491	\$ 42,164,715	\$ 1,141,187	\$ 182,850
Estimated UAL amortization dollars	\$ 389,170,439	\$ 242,501,474	\$ 147,634,748	\$ (782,933)	\$ (182,850)
Estimated Total Appropriation	\$ 502,981,682	\$ 312,823,965	\$ 189,799,463	\$ 358,254	\$ -

FYE 2025

Normal Cost as a % of payroll	4.47%	see next page	12.21%	5.74%	
UAL amortization as a % of payroll	15.41%	see next page	-8.42%	-5.74%	
Total Contribution Rate	19.88%	see next page	3.79%	0.00%	
Estimated Normal Cost dollars	\$ 116,732,508	\$ 72,256,359	\$ 43,122,453	\$ 1,166,750	\$ 186,946
Estimated UAL amortization dollars	\$ 399,873,557	\$ 249,170,265	\$ 151,694,702	\$ (804,464)	\$ (186,946)
Estimated Total Appropriation	\$ 516,606,065	\$ 321,426,624	\$ 194,817,155	\$ 362,286	\$ -

Estimated Total Biennium Appropriation \$ 1,019,587,747

Prior Biennium Total Appropriation \$ 861,220,657

Estimated Biennium Total Appropriation \$ 909,239,000 note that this was before assumption changes and drop in interest rate

Based on Total MainePERS market value estimate of \$18.14 billion and estimated amounts of contributions, benefit payments, and administrative expenses for FYE June 30, 2022

# Fiscal Years 2024 & 2025 State Contributions



## OPTION 2

Regular State Employees	State Police	Inland Fish & Wildlife	Forest Ranger	25 & Out Plan	98 Special Plan	Fire Marshalls
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### FYE 2024

Normal Cost % of payroll	4.84%	13.21%	14.52%	3.25%	5.55%	5.33%	11.97%
UAL amortization % of payroll	16.94%	29.67%	30.82%	15.70%	18.66%	19.33%	26.57%
<b>Total Contribution Rate</b>	<b>21.78%</b>	<b>42.88%</b>	<b>45.34%</b>	<b>18.95%</b>	<b>24.21%</b>	<b>24.66%</b>	<b>38.54%</b>
Estimated Normal Cost dollars	\$ 34,702,857	\$ 12,611	\$ 12,835	\$ 4,177	\$ 2,530,773	\$ 4,751,584	\$ 149,878
Est. UAL amortization dollars	\$ 121,485,404	\$ 28,320	\$ 27,245	\$ 20,176	\$ 8,508,164	\$ 17,232,735	\$ 332,704
Estimated Total Appropriation	\$ 156,188,261	\$ 40,931	\$ 40,080	\$ 24,353	\$ 11,038,937	\$ 21,984,319	\$ 482,582

### FYE 2025

Normal Cost % of payroll	4.84%	13.21%	14.52%	3.25%	5.55%	5.33%	11.97%
UAL amortization % of payroll	17.02%	29.81%	30.98%	15.77%	18.75%	19.43%	26.70%
<b>Total Contribution Rate</b>	<b>21.86%</b>	<b>43.02%</b>	<b>45.50%</b>	<b>19.02%</b>	<b>24.30%</b>	<b>24.76%</b>	<b>38.67%</b>
Estimated Normal Cost dollars	\$ 35,493,449	\$ 12,893	\$ 13,123	\$ 4,271	\$ 2,587,463	\$ 4,858,019	\$ 153,235
Est. UAL amortization dollars	\$ 124,826,253	\$ 29,098	\$ 27,994	\$ 20,730	\$ 8,742,138	\$ 17,706,635	\$ 341,854
Estimated Total Appropriation	\$ 160,319,702	\$ 41,991	\$ 41,117	\$ 25,001	\$ 11,329,601	\$ 22,564,654	\$ 495,089

Based on Total MainePERS market value estimate of \$18.14 billion and estimated amounts of contributions, benefit payments, and administrative expenses for FYE June 30, 2022

July 14, 2022



## Reconciliation

## OPTION 2

## Biennium Costs

<b>1 FY 22/23 Biennium</b>	<b>\$861.2</b>
<b>2 Estimated FY 24/25 Biennium</b>	<b>\$909.2</b>
<b>3 Actual FY 24/25 Biennium</b>	<b><u>\$1,019.6</u></b>
<b>4 Difference (3-2)</b>	<b>\$110.4</b>

## Source of Difference

<b>1 FY 22 asset loss</b>	<b>\$68.6</b>
<b>2 9/1/21 COLA loss</b>	<b>\$9.5</b>
<b>3 2021 valuation vs 2020 valuation</b>	<b>\$38.1</b>
<b>4 Other</b>	<b><u>(\$5.8)</u></b>
<b>Total</b>	<b>\$110.4</b>



## OPTION 2

### Budget Rates by Year for Prior and Current Biennium

	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>
Teachers	18.13%	18.13%	19.88%	19.88%
All State Employees	22.74%	22.88%	22.24%	22.32%
<b>Composite State &amp; Teachers</b>	<b>19.71%</b>	<b>19.75%</b>	<b>20.71%</b>	<b>20.74%</b>
Judicial	6.99%	6.95%	3.83%	3.79%
Legislative	0.00%	0.00%	0.00%	0.00%
PLD Employer	10.80%	10.80%	10.90%	TBD
PLD Member	8.00%	7.80%	7.90%	TBD
PLD Total	18.80%	18.60%	18.80%	TBD

Based on Total MainePERS market value estimate of \$18.14 billion and estimated amounts of contributions, benefit payments, and administrative expenses for FYE June 30, 2022

# June 30, 2022 “Rollforward” Valuation Results



## OPTION 3

	Total STATE MainePERS	Teachers	All State Employees	Judicial	Legislative
<b><u>7/1/2021 Valuation</u></b>					
Actuarial Liability	16,484,575,553	10,736,439,623	5,661,669,895	75,787,564	10,678,471
Actuarial Value of Assets	13,557,127,259	8,934,933,743	4,525,936,529	81,207,552	15,049,435
Market Value of Assets	15,007,196,647	9,890,613,635	5,010,030,385	89,893,506	16,659,121
Unfunded Actuarial Liability (UAL)	2,927,448,294	1,801,505,880	1,135,733,366	(5,419,988)	(4,370,964)
Actuarial Value Funding Ratio	82.24%	83.22%	79.94%	107.15%	140.93%
Market Value Funding Ratio	91.04%	92.12%	88.49%	118.61%	156.01%

<b><u>7/1/2022 Roll Forward Valuation</u></b>					
Actuarial Liability	17,024,635,133	11,095,768,405	5,840,060,347	77,614,880	11,191,501
Actuarial Value of Assets	14,361,449,386	9,403,526,421	4,858,518,362	83,665,472	15,739,131
Market Value of Assets	14,514,565,488	9,503,783,107	4,910,317,966	84,557,480	15,906,936
Unfunded Actuarial Liability (UAL)	2,663,185,747	1,692,241,984	981,541,985	(6,050,591)	(4,547,630)
Actuarial Value Funding Ratio	84.36%	84.75%	83.19%	107.80%	140.63%
Market Value Funding Ratio	85.26%	85.65%	84.08%	108.94%	142.13%

Based on Total MainePERS market value estimate of \$18.14 billion and estimated amounts of contributions, benefit payments, and administrative expenses for FYE June 30, 2022

July 14, 2022

# June 30, 2022 “Rollforward” Valuation Results



## OPTION 3

	Regular State Employees	State Police	Inland Fish & Wildlife	Forest Ranger	25 & Out Plan	98 Special Plan	Fire Marshalls
<b>7/1/2021 Valuation</b>							
Actuarial Liability	4,760,482,177	134,372,387	45,606,281	22,366,571	249,634,716	444,778,481	4,429,282
Actuarial Value of Assets	3,837,853,657	134,161,070	45,398,862	22,211,657	184,795,207	299,642,789	1,873,287
Market Value of Assets	4,248,350,217	148,510,929	50,254,721	24,587,414	204,560,889	331,692,561	2,073,654
Unfunded Actuarial Liability	922,628,520	211,317	207,419	154,914	64,839,509	145,135,692	2,555,995
Actuarial Value Funding Ratio	80.62%	99.84%	99.55%	99.31%	74.03%	67.37%	42.29%
Market Value Funding Ratio	89.24%	110.52%	110.19%	109.93%	81.94%	74.57%	46.82%

### 7/1/2022 Roll Forward Valuation

Actuarial Liability	4,901,022,248	130,401,108	44,077,842	21,994,917	265,318,467	472,383,175	4,862,590
Actuarial Value of Assets	4,093,482,768	130,216,131	43,896,296	21,859,333	208,544,902	357,890,729	2,628,202
Market Value of Assets	4,137,125,865	131,604,444	44,364,301	22,092,388	210,768,325	361,706,419	2,656,223
Unfunded Actuarial Liability	807,539,480	184,977	181,546	135,585	56,773,565	114,492,445	2,234,388
Actuarial Value Funding Ratio	83.52%	99.86%	99.59%	99.38%	78.60%	75.76%	54.05%
Market Value Funding Ratio	84.41%	100.92%	100.65%	100.44%	79.44%	76.57%	54.63%

Based on Total MainePERS market value estimate of \$18.14 billion and estimated amounts of contributions, benefit payments, and administrative expenses for FYE June 30, 2022

# Fiscal Years 2024 & 2025 State Contributions



## OPTION 3

**FYE 2024**

Total STATE MainePERS	Teachers	All State Employees	Judicial	Legislative	
Normal Cost as a % of payroll	4.47%	see next page	12.21%	5.74%	
UAL amortization as a % of payroll	14.51%	see next page	-8.02%	-5.74%	
Total Contribution Rate	18.98%	see next page	4.19%	0.00%	
Estimated Normal Cost dollars	\$ 113,811,243	\$ 70,322,491	\$ 42,164,715	\$ 1,141,187	\$ 182,850
Estimated UAL amortization dollars	\$ 368,701,100	\$ 228,263,170	\$ 141,370,475	\$ (749,695)	\$ (182,850)
Estimated Total Appropriation	\$ 482,512,343	\$ 298,585,661	\$ 183,535,190	\$ 391,492	\$ -

**FYE 2025**

Normal Cost as a % of payroll	4.47%	see next page	12.21%	5.74%	
UAL amortization as a % of payroll	14.51%	see next page	-8.06%	-5.74%	
Total Contribution Rate	18.98%	see next page	4.15%	0.00%	
Estimated Normal Cost dollars	\$ 116,732,508	\$ 72,256,359	\$ 43,122,453	\$ 1,166,750	\$ 186,946
Estimated UAL amortization dollars	\$ 378,841,311	\$ 234,540,407	\$ 145,258,162	\$ (770,312)	\$ (186,946)
Estimated Total Appropriation	\$ 495,573,819	\$ 306,796,766	\$ 188,380,615	\$ 396,438	\$ -

Estimated Total Biennium Appropriation **\$ 978,086,162**

Prior Biennium Total Appropriation **\$ 861,220,657**

Estimated Biennium Total Appropriation **\$ 909,239,000** note that this was before assumption changes and drop in interest rate

Based on Total MainePERS market value estimate of \$18.14 billion and estimated amounts of contributions, benefit payments, and administrative expenses for FYE June 30, 2022

# Fiscal Years 2024 & 2025 State Contributions



## OPTION 3

Regular State Employees	State Police	Inland Fish & Wildlife	Forest Ranger	25 & Out Plan	98 Special Plan	Fire Marshalls
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### FYE 2024

Normal Cost % of payroll	4.84%	13.21%	14.52%	3.25%	5.55%	5.33%	11.97%
UAL amortization % of payroll	16.23%	28.42%	29.50%	15.01%	17.86%	18.50%	25.42%
Total Contribution Rate	21.07%	41.63%	44.02%	18.26%	23.41%	23.83%	37.39%
Estimated Normal Cost dollars	\$ 34,702,857	\$ 12,611	\$ 12,835	\$ 4,177	\$ 2,530,773	\$ 4,751,584	\$ 149,878
Est. UAL amortization dollars	\$ 116,339,346	\$ 27,129	\$ 26,080	\$ 19,295	\$ 8,144,019	\$ 16,496,268	\$ 318,338
Estimated Total Appropriation	\$ 151,042,203	\$ 39,740	\$ 38,915	\$ 23,472	\$ 10,674,792	\$ 21,247,852	\$ 468,216

### FYE 2025

Normal Cost % of payroll	4.84%	13.21%	14.52%	3.25%	5.55%	5.33%	11.97%
UAL amortization % of payroll	16.30%	28.56%	29.65%	15.09%	17.95%	18.60%	25.55%
Total Contribution Rate	21.14%	41.77%	44.17%	18.34%	23.50%	23.93%	37.52%
Estimated Normal Cost dollars	\$ 35,493,449	\$ 12,893	\$ 13,123	\$ 4,271	\$ 2,587,463	\$ 4,858,019	\$ 153,235
Est. UAL amortization dollars	\$ 119,538,678	\$ 27,875	\$ 26,797	\$ 19,826	\$ 8,367,979	\$ 16,949,915	\$ 327,092
Estimated Total Appropriation	\$ 155,032,127	\$ 40,768	\$ 39,920	\$ 24,097	\$ 10,955,442	\$ 21,807,934	\$ 480,327

Based on Total MainePERS market value estimate of \$18.14 billion and estimated amounts of contributions, benefit payments, and administrative expenses for FYE June 30, 2022

July 14, 2022



## Reconciliation

### OPTION 3

## Biennium Costs

<b>1 FY 22/23 Biennium</b>	<b>\$861.2</b>
<b>2 Estimated FY 24/25 Biennium</b>	<b>\$909.2</b>
<b>3 Actual FY 24/25 Biennium</b>	<b><u>\$978.1</u></b>
<b>4 Difference (3-2)</b>	<b>\$68.9</b>

## Source of Difference

<b>1 FY 22 asset loss</b>	<b>\$27.1</b>
<b>2 9/1/21 COLA loss</b>	<b>\$9.5</b>
<b>3 2021 valuation vs 2020 valuation</b>	<b>\$38.1</b>
<b>4 Other</b>	<b><u>(\$5.8)</u></b>
<b>Total</b>	<b>\$68.9</b>



## OPTION 3

### Budget Rates by Year for Prior and Current Biennium

	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>
Teachers	18.13%	18.13%	18.98%	18.98%
All State Employees	22.74%	22.88%	21.51%	21.59%
<b>Composite State &amp; Teachers</b>	<b>19.71%</b>	<b>19.75%</b>	<b>19.87%</b>	<b>19.89%</b>
Judicial	6.99%	6.95%	4.19%	4.15%
Legislative	0.00%	0.00%	0.00%	0.00%
PLD Employer	10.80%	10.80%	11.00%	TBD
PLD Member	8.00%	7.80%	8.00%	TBD
PLD Total	18.80%	18.60%	19.00%	TBD

Based on Total MainePERS market value estimate of \$18.14 billion and estimated amounts of contributions, benefit payments, and administrative expenses for FYE June 30, 2022

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## MAINEPERS

### BOARD OF TRUSTEES INVESTMENTS MEMORANDUM

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**TO:** BOARD MEMBERS  
**FROM:** JAMES BENNETT, CHIEF INVESTMENT OFFICER  
**SUBJECT:** PROXY VOTING  
**DATE:** JULY 7, 2022

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Board Policy 2.7 (Engagement) notes that the System will vote its proxies in the best interests of its members as pension beneficiaries. The Policy directs the Investment Team to develop and maintain proxy voting guidelines, and to engage a proxy agent for the purpose of voting its proxies. Following a review in 2020, the System chose to continue employing Glass Lewis as its proxy agent.

Brianna Castro and Denise Mallet from Glass Lewis will be joining the meeting to provide an overview of this past proxy season. In addition, the Investment Team will review proxy activity and discuss newly-available options for voting shares held in commingled vehicles through BlackRock. The below items follow this memo:

- Glass Lewis' presentation
- Board Policy 2.7 – Engagement
- Investments Practice 21.0 – Proxy Voting Implementation Guidelines
- FY22 Proxy Voting Summary Report

#### **POLICY REFERENCE**

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

[Board Policy 2.7 – Engagement](#)

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

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

#### **PROXY VOTING AT MAINEPERS**

Public company annual meetings typically feature a number of items to be voted on by shareholders, such as Board of Director nominations, ratification of the company's auditor, and

various proposals put forward by shareholders. Glass Lewis serves as MainePERS' proxy agent, and places individual votes for each item according to the System's proxy guidelines.

As shown in the attached report, the System cast votes on over 10,000 individual ballot items across nearly 1,000 annual meetings during FY2022. The vast majority of these items (95%) were management proposals (e.g., Board nominations, auditor ratification, and compensation related), while 500 or so votes were cast on shareholder proposals.

Each ballot proposal is accompanied by management's recommendation with respect to whether or not to support the proposal. In the case of management proposals, the System's proxy guidelines generally align with management's recommendations, and we voted in line with management in nearly 94% of cases. However, in the case of shareholder proposals, our voting departs from management's recommendations in a majority (65%) of cases.

### MAINEPERS COMMINGLED EQUITY HOLDINGS

As a reminder, the System's target allocation to Public Equities is 30%. Details regarding MainePERS' public equity holdings are shown below:

	Public Equity Portfolio Weight	# of Companies	Holding Structure	Proxy Voting
Domestic Equity				
Russell 1000	57%	1,000	Direct shareholdings	MainePERS / GL
Russell 2000	4%	2,000	ETF	BlackRock
International Equity				
ACWI ex US	39%	≈2,300	Commingled account	BlackRock
	100%	≈5,300		

As noted above, proxies for shares held in commingled vehicles (including ETFs) are voted by BlackRock. These votes are cast in accordance with BlackRock's proxy voting policy. At a high level, this policy is in line with the System's proxy guidelines and objectives. For example, BlackRock's policy has a high-level goal of advancing corporate governance practices that are aligned with long term shareholder value creation, seeks to align management compensation with financial performance, and supports disclosure of sustainability factors.

BlackRock has recently introduced a feature that allows institutional investors in commingled funds to vote the proxies corresponding to their stake in the fund. Electing this option for our commingled holdings would allow MainePERS to vote proxies according to our proxy guidelines rather than having "our" proxies voted based on BlackRock's guidelines.

The Investment Team has reviewed this option and does not believe that any changes to the System's current practices are warranted. A comparison of votes cast under our policy and BlackRock's reveals a very high degree of similarity, and suggests that the vast majority of votes cast under each policy are the same. Thus, any changes to our current practice would mean substantially enlarging both our engagement with our proxy agent and use of internal resources and would not lead to meaningful voting differences.



# GLASS LEWIS

Maine Public Employees Retirement System  
Board Meeting

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**Proxy Voting, Policy, & Regulatory Update**

July 14, 2022

# Agenda for MainePERS

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- **1) Introduction**
  - Glass Lewis Overview
- **2) Proxy Voting & Market Landscape**
  - Governance, Climate, Diversity
  - Engagement
- **3) Regulatory Update**
- **4) MainePERS Voting & Policy**

## **Glass Lewis Attendees:**

- **Brianna Castro – Senior Director, US Research**
- **Gordon Seymour – Special Counsel for Public Policy**
- **Peter Semegen – Client Service Manager**
- **Denise Mallett – Director of Business Development**

## Glass Lewis Mission

To partner with our customers in driving value creation through solutions that promote good governance and stewardship.

# MainePERS Commitment to Stewardship

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

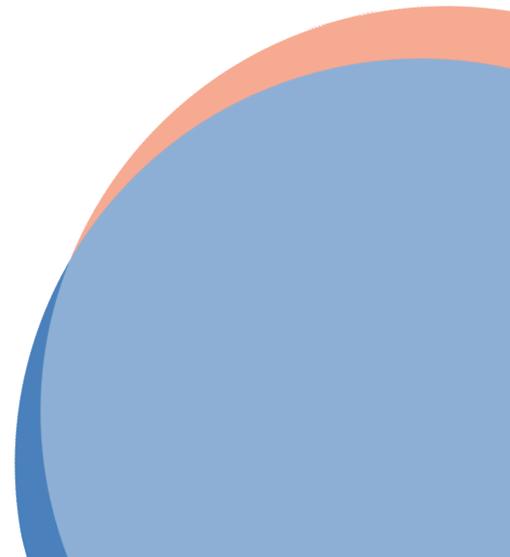
MAINEPERS ENVIRONMENTAL, SOCIAL AND GOVERNANCE POLICY.  
ADOPTED ON JUNE 8, 2015.



# Introduction

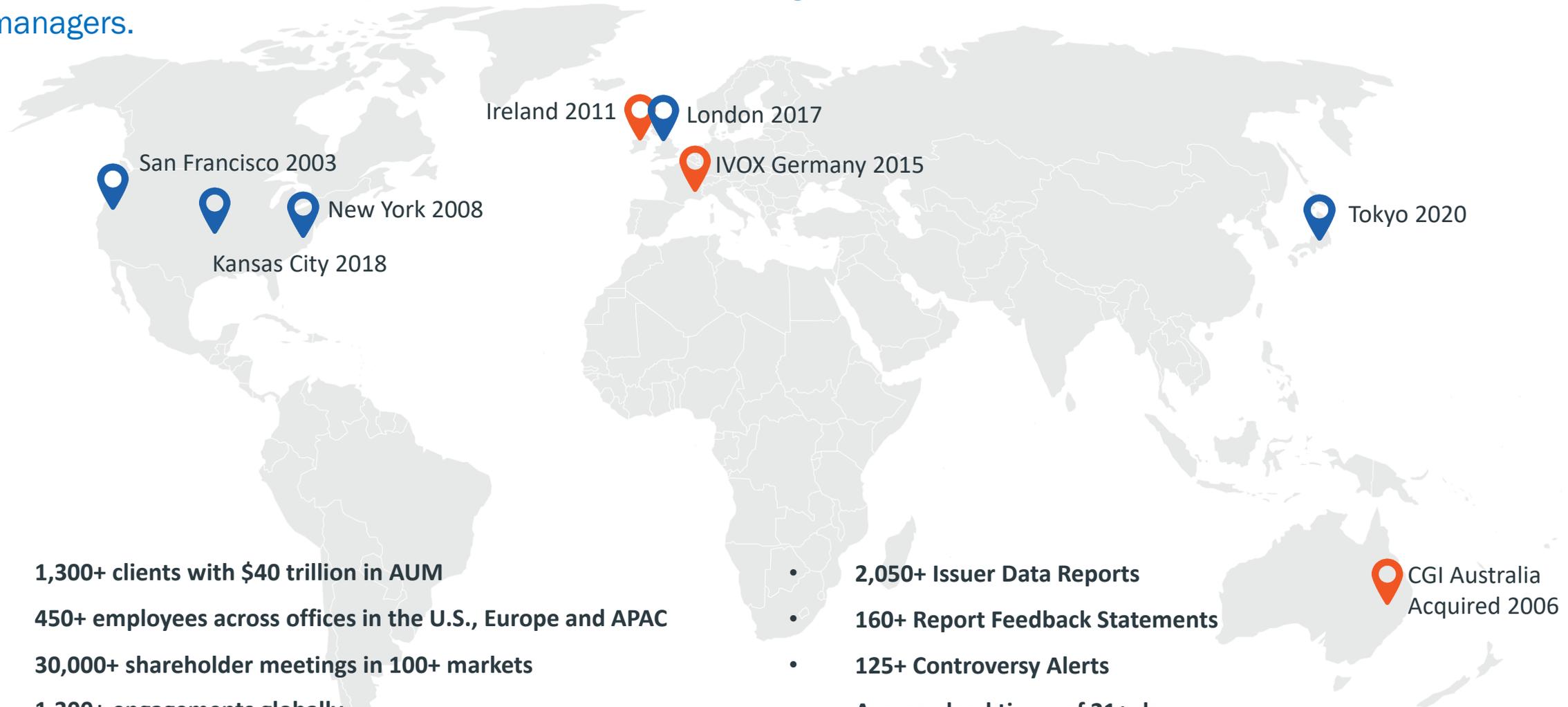
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Glass Lewis Updates &  
Proxy Voting Overview



# Global Research & Voting Leader

**1,300+** clients representing the majority of the **world's largest** pension plans, mutual funds, and asset managers.



- **1,300+** clients with **\$40 trillion** in AUM
- **450+** employees across offices in the U.S., Europe and APAC
- **30,000+** shareholder meetings in **100+** markets
- **1,300+** engagements globally
- **100+** global markets covered

- **2,050+** Issuer Data Reports
- **160+** Report Feedback Statements
- **125+** Controversy Alerts
- **Average lead times of 21+ days**
- **Research accuracy rates of 99.86%**

# Glass Lewis Updates

- **Products & Services:**
    - Launched Climate thematic voting policy
    - Launched Controversy Alerts to highlight material meetings for investors
    - Launched Engagement solution for investors
    - Launched GL ESG Profile
    - Announced BitSight and Arabesque partnerships
    - Increased thought leadership (64+ blog posts, 24+ webinars, 14+ reviews/previews)
    - Launched Equity Plan Advisory Service
    - Launched Governance Hub for public companies
  - **Corporate:**
    - 20% increase in research staff in 2022
    - Continuation of remote operations due to Covid-19+
    - Peloton Capital Management and Stephen Smith acquired Glass Lewis from OTPP and AIMCo in 2021
    - Expanded in Europe with acquisition of Alembeeks' client base
    - Expanded service team in Tokyo office
- 1,300+ clients with US\$40 trillion in AUM
  - 450+ employees across offices in the U.S., Europe and APAC
  - 30,000+ shareholder meetings in 100+ markets
  - 1,300+ engagements globally
  - 2,050+ Issuer Data Reports
  - 160+ Report Feedback Statements
  - 125+ Controversy Alerts
  - Average lead times of 21+ days
  - Research accuracy rates of 99.86%
  - 9 new workflow and reporting features in Viewpoint\*

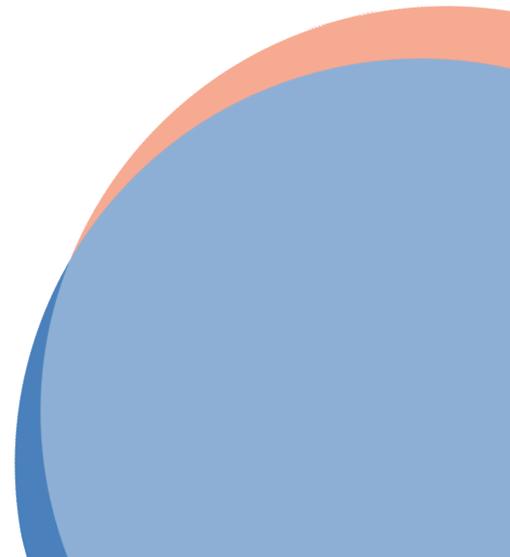
\*2021



# Market Landscape

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Governance, Climate, Diversity



# Proxy Voting – Current State

## Increasing Globally

- **Worldwide attention on stewardship and engagement is increasing**
  - Many state investment entities are implementing an active engagement approach, starting with proxy voting
  - Investors are increasingly looking to integrate their own values into the proxy voting process
- **Proxy voting is subject to greater regulatory scrutiny in countries around the world**
  - Glass Lewis is a founding member and signatory to the Best Practice Principles Group (BPPG)
  - We are focused on helping our clients comply with all global regulatory requirements
    - We have robust [policies and processes](#) to alert clients of all conflicts disclosures
    - [Report Feedback Statement](#) – Direct feedback on our research from companies we cover
    - [Controversy Alert](#) – Our alerts highlight potential reputational risks at meetings across the globe

The SEC's new guidance on Proxy Voting Responsibilities of Investment Advisers focuses on considering company responses to proxy advice.

Glass Lewis has been offering its [Report Feedback Statement \(RFS\)](#) service since 2019 (before SEC guidance).

# Board Composition and Governance

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## Continued Rise in Number of Shareholder Meetings

- Over 200 more U.S. meetings held in 2022 so far, vs. Last year (+4% increase, on top of an 8% increase in 2021)
  - Numerous post SPAC mergers and IPOs in 2021 led to many first-year AGMs
    - Governance policies vary widely amongst these firms

## Board Diversity

- Following State and Listing Requirements
  - State laws (e.g. California) and listing requirements (e.g. NASDAQ) on board composition and diversity have come into effect in recent years
- Gender Diversity
  - Increased our policy to 2 gender diverse directors for Russell 3000 boards of 7 or more directors.
  - Recommended against entire nom/gov committee if a Russell 3000 company had no gender diverse directors.
- Significant Focus on Racial/Ethnic Diversity
  - Diversity Disclosure Assessment expanded to Russell 1000 (improvement in S&P 500)
  - Reported percentage of Racial/Ethnic diversity on the board for Russell 3000 companies, if available
  - New policy for S&P 500 Index companies to recommend voting against the nom/gov committee if companies have particularly poor disclosure on director diversity, skills and policies (I.e. those failing to provide any disclosure in each of our tracked categories)

# Executive Compensation

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## Retention Awards and Mega Grants

- Many executives received retention awards in 2021
  - many had inferior performance-vesting structures than the companies' regular incentives.
- Mega-grants were also popular in 2021, particularly with newly public companies.
  - However, a number of larger companies also provided them (Trade Desk \$800 million, Expedia \$296 million, JP Morgan \$84 million)
- Companies citing competitive executive market as justification for these awards.

# Environmental & Social & Governance

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## More Shareholder Proposals, Continued Focus on ESG

- Significant rise in the number of shareholder proposals in 2022
- Overall weaker support, largely as a result of more prescriptive requests and a lack of focus on materiality

## Board Oversight of Environmental and Social Issues

- Many companies have enhanced oversight responsibilities in recent years to include explicit board-level oversight of environmental and social issues
- Governance of ESG continues to be a main priority for Glass Lewis

## Stakeholder Impact Continues to be an area of Interest for Investors

- Racial Equity Audits
- Corporate Culture
  - COVID and the labor market have intensified focus, which extends to our analysis on pay
- Employee diversity

# Policy Developments - Diversity

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## Ethnic Diversity

- Leading policies to support local initiatives and developing best practice
- Emphasis on Company disclosure expectations
- Monitoring global developments and evolving disclosure
- Beginning in 2023, for S&P 500 companies, we will generally recommend voting against nom/gov committee chair if disclosure of board racial/ethnic minority demographic information is not provided at the aggregate or individual level.

## Diversity of Skills and Experience

- Explicit assessment of skills disclosure in large European companies
- Provide additional context for proposed board refreshment
- Identify and analyse perceived skills gaps
- Recommend escalation in egregious cases

## Gender Diversity

- Coherent European policy markets accounts for regional standards
- Higher standards for larger, widely-held companies
- In the U.S., we will change the policy for the Russell 3000 in 2023 from a fixed-numerical approach to a percentage-based approach- 30% of the board.

# Policy Developments - Oversight of E/S Risk and Metrics

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## Oversight of E/S Risk

- Largest companies in the North American and European Markets (S&P 500 in the U.S.)
  - Recommend against governance committee chair when clear disclosure of board-level oversight of material E&S risk is not provided
  - Must be board level; separate executive oversight or committees do not count.

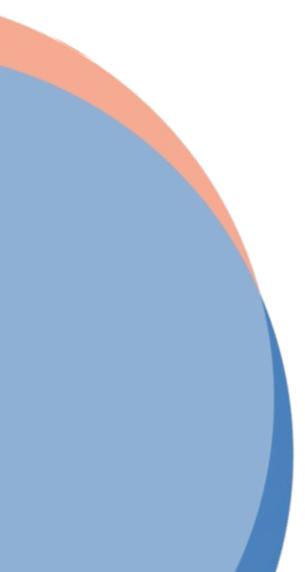
## Current Guidance on Environmental and Social Metrics

- No expectation that they are included by all companies
- Flexibility between annual bonus and long-term incentive programs
- If Included, we expect
  - Sufficient disclosure to understand how they align with strategy (+rationale)
  - Should be appropriate behaviors to incentivize
  - Should disclose the target-setting process and payout opportunities
- Poor E&S Metrics and disclosure should contribute to view of policy/report as they would with any other metric



# Glass Lewis Regulatory Update

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Current U.S. Developments

# SEC Proxy Advice Rules – Recent Developments

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- **SEC 2020 Proxy Advice Rules: Reconsideration and No-Action Position**
  - Reconsideration: On November 17, 2021, the SEC proposed to remove the parts of the 2020 rule that:
    - effectively required that proxy advice be made available to companies and that proxy advisors notify their clients of company responses; and
    - added examples of "misleading" proxy advice to the proxy solicitation anti-fraud rule.
  - Non-Enforcement: On June 1, 2021, SEC Corp Fin said it would not enforce the 2020 rules pending their reconsideration
  - Litigation Pending:
    - ISS lawsuit against SEC over 2020 rules reactivated as of April 2022; oral argument scheduled for July 29, 2022
    - On October 13, 2021, NAM sued SEC over its June no-action position
  - Comment Period ended December 27, 2021; Glass Lewis Comment Letter [available](#)
- **SEC Investment Adviser Guidance on Proxy Voting and Use of a Proxy Advisor**
  - 2019 Investment Adviser Guidance
    - Glass Lewis [Due Diligence resource](#) maps Glass Lewis policies and procedures to SEC 2019 guidance
  - 2020 Supplemental Investment Adviser Guidance
    - Glass Lewis' engagement programs, especially RFS, [help clients meet SEC expectations](#) around considering company perspectives.
    - As part of proxy advice rulemaking, SEC seeking comment on whether to rescind or modify this guidance

# Other SEC Proxy Voting Developments: Form N-PX

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- **Proxy Vote Reporting on Form N-PX:** On September 29, 2021, SEC proposed Form N-PX enhancement and implementation of investment manager say-on-pay disclosure
  - 13F filers would disclose all say-on-pay votes on Form N-PX
  - Major changes to Form N-PX
    - Filed in XML
    - All votes must be categorized
    - Disclosure of shares loaned and not recalled
  - Implementation timing depends on when adopted
    - Once rules effective, a six-month transition period
  - Comment Period ended December 14, 2021; Glass Lewis Comment Letter [available](#)
  - For more information, see our Blog: [Proxy Vote Reporting Tops SEC Agenda: Changes to Form N-PX](#)

# Other SEC Proxy Voting Developments: “Greenwashing” Rules

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- **ESG “Greenwashing” Rules:** On May 25, 2022, the SEC proposed changes to the “Names Rule” and to require new ESG disclosures from funds and advisers
  - Would apply the Names Rule to ESG Funds
  - Funds that consider ESG characteristics would make new disclosures in prospectuses and annual reports
    - Prospectus Table: “ESG-Focused funds” would disclose “How the Fund votes proxies and/or engages with issuers about [[ESG] issues”
    - Annual Reports
      - ESG-Focused funds that use **proxy voting** as a significant means of implementing their ESG strategy would have to disclose “the percentage of ESG voting matters [involving ESG factors the fund considers in its investment decisions] during the reporting period for which the Fund voted in furtherance of the initiative.”
      - ESG-Focused funds that use **engagement** as a significant means of implementing their ESG strategy would have to disclose progress on any key performance indicators of such engagement, as well as “the number or percentage of issuers with which the Fund held ESG engagement meetings and total number of ESG engagement meetings.”
  - Rules would generally start to apply one year from adoption
  - Proposal open for a 60-day Comment Period
  - Part of broader SEC focus on greenwashing
  - For more information, see our Blog: [Enhancing the Transparency of ESG Investing and Stewardship: The SEC’s Proposed “Greenwashing” Rules](#)

# Other SEC Proxy Voting and Related Developments

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- Other Proxy Voting Initiatives –
  - **Universal Proxy:**
    - On November 17, 2021, the SEC adopted universal proxy
    - New rules go into effect for contested director elections held after August 31, 2022
  - **Shareholder Proposal Changes:**
    - New Staff Legal Bulletin clearly allowing more E and S proposals to go to vote
    - SEC has resumed issuing written letters on all shareholder proposal no-action requests
    - SEC 2020 amendments to Shareholder Proposal rule subject to court challenge
- SEC Corporate Disclosure Initiatives
  - **Climate Disclosure Rules** – see our Blog: [SEC Proposes New Climate Disclosures](#)
  - **Cybersecurity Disclosure Rules** – see our Blog: [SEC Proposes New Public Company Cybersecurity Disclosure Rules](#)
  - **(Expected) Human Capital Management Disclosure Rules**

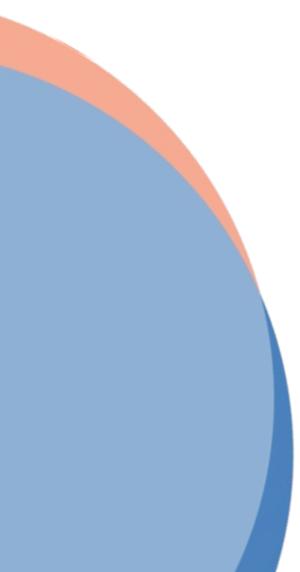
# DOL Rules – Recent Developments

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- DOL 2020 rules on proxy voting and ESG investing under ERISA will not be enforced and will be revised
  - **DOL Non-Enforcement Policy**
    - On March 10, 2021, the DOL announced that it is suspending enforcement of its 2020 proxy voting rule, as well as its 2020 rule on ESG considerations in investment, pending further guidance
  - **New Proposed Rules**
    - On October 13, 2021, DOL proposed amendments to its 2020 rules on investing and proxy voting
    - Amendments would eliminate special requirements, burdens and uncertainty the 2020 rules created with respect to considering ESG factors in investment decisions
    - Amendments would also remove aspects of the 2020 rules that added burdens and sought to discourage stewardship activities --
      - ❑ Eliminating statements discouraging proxy voting;
      - ❑ Eliminating special monitoring obligations where voting has been delegated to a manager or proxy advisor;
      - ❑ Eliminating the safe harbors that discouraged voting; and
      - ❑ Eliminating special documentation requirements on proxy voting and other exercises of shareholder rights
    - Comment period ended December 13, 2021; Glass Lewis Comment Letter [available](#)
    - For more information, see our Blog: [DOL Seeking Comment on Reversal of ESG & Proxy Voting Rules](#)

# MainePERS Voting & Policy

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# Viewpoint®

## Proxy Voting Platform

- Flexible reporting tools support your external compliance requirements and internal communications
  - Available real-time and via scheduler in various formats
  - We document every step of the proxy voting chain

### Secure and reliable:

- 99.9% guaranteed uptime
- round-the-clock support

The screenshot displays the 'Upcoming Meetings' section of the Viewpoint Proxy Voting Platform. The interface includes a navigation bar with 'GLASS LEWIS', 'DASHBOARD', 'WORKFLOW', and 'REPORTING' tabs, along with a search bar. The main content area shows a list of meetings with columns for 'COMPANY NAME', 'AGENDA KEY', 'POLICY ID', 'CONTROL NUMBER', and 'DECISION STATUS'. The 'Expansion level' is set to 'Meeting'. The table lists various companies such as Asahi Group Holdings Ltd., McCormick & Co., Inc., Shiseido Company Limited, Banco Santander S.A., CIG Merger Corp, Eaton Vance Floating-Rate Income Trust, Hulec Co Ltd, Kyowa Kirin Co. Ltd, Broadcom Inc, Swisscom AG, Cancer Genetics Inc, Canon Inc, Rakuten Inc, and Seneca Biopharma Inc. The 'DECISION STATUS' column shows 'Voted' for several companies and 'Recommendations Available' for others.

COMPANY NAME	AGENDA KEY	POLICY ID	CONTROL NUMBER	DECISION STATUS
Asahi Group Holdings Ltd.	713622024	DemoGL	101013041	Voted
McCormick & Co., Inc.	935336760	2 values	3 values	2 values
Shiseido Company Limited	935344298	2 values	3 values	Voted
Banco Santander S.A.	935341797	2 values	3 values	Voted
CIG Merger Corp	935341850	2 values	3 values	Voted
Eaton Vance Floating-Rate Income Trust	935335871	2 values	3 values	Voted
Hulec Co Ltd	713622048	DemoGL	101013042	Voted
Kyowa Kirin Co. Ltd.	713622050	DemoGL	101013043	Voted
Broadcom Inc	935335768	2 values	3 values	2 values
Broadcom Inc	713628761	2 values	3 values	2 values
Swisscom AG	935339449	2 values	3 values	Recommendations Available
Cancer Genetics Inc.	935338031	2 values	3 values	Recommendations Available
Canon Inc	935340860	2 values	3 values	Recommendations Available
Rakuten Inc.	935346800	2 values	3 values	Recommendations Available
Seneca Biopharma Inc.	935336431	2 values	3 values	Recommendations Available

# System Enhancements and Usage

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## System Enhancements

- Easily Track Your Engagements Within Viewpoint
- New Available System Company Watchlists and Streamlined Custom Watchlist Creation
- Ownership Percentages Viewable in Workflow and Meeting Pages

## Voting Controls

- Daily Ballot Check
- Create and Customize Periodic Email Alerts

## Reporting

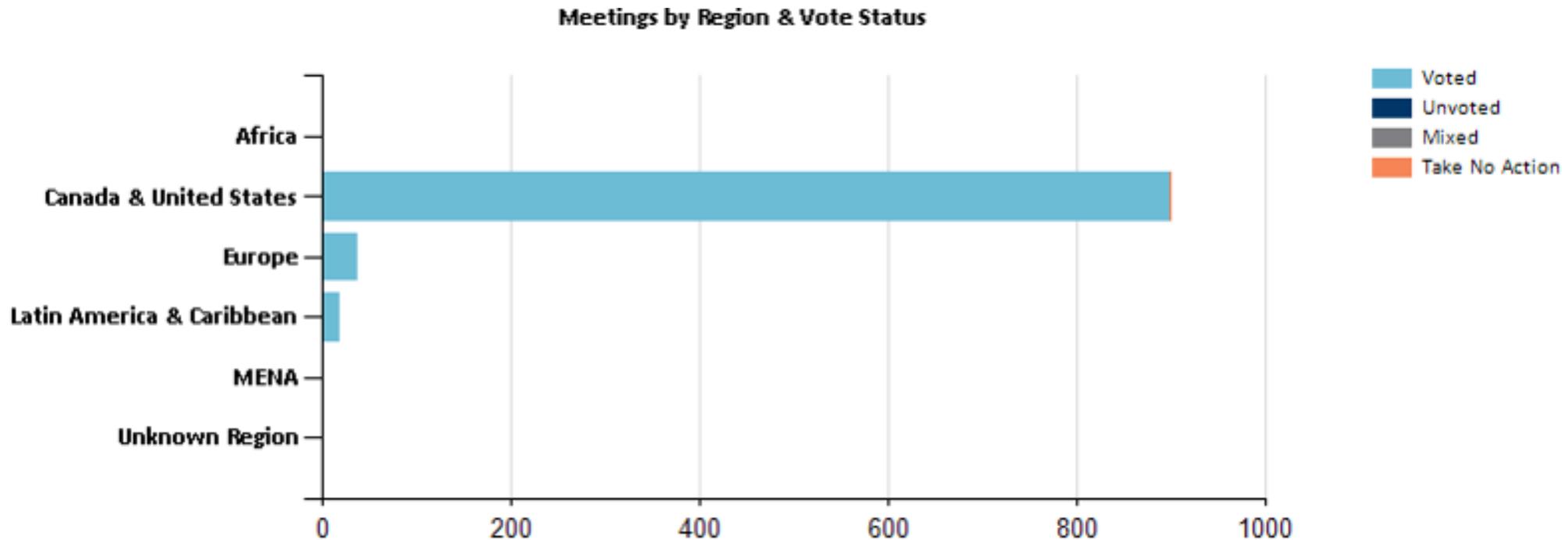
- Annual Reporting Delivery Scheduled
- 10 Reporting Templates with Myriad Options
- Easy to Create, Schedule, and Share

## Usage

- 960 Meetings Voted This Proxy Season
- 9,778 Proposals
- Zero Unvoted Meetings

# MainePERS Voting – Meeting Region Statistics

- 2022 Proxy Season (July 1, 2021 to June 30, 2022)
  - 960 Meetings Voted
  - 9,778 Proposals
  - Zero Unvoted Meetings
- Votes By Region
  - 900 US & Canada
  - 38 European
  - 21 Latin America and 1 Israeli

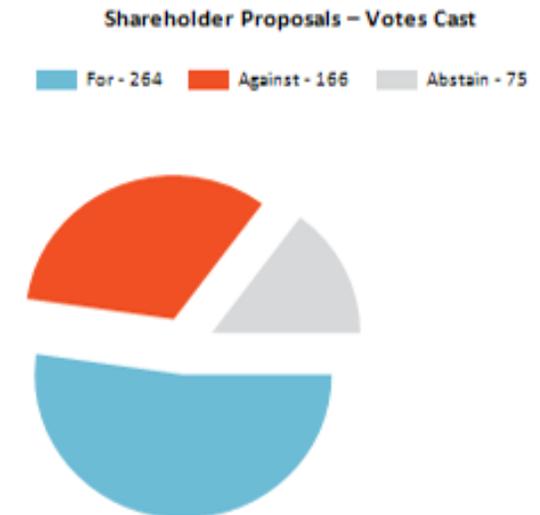
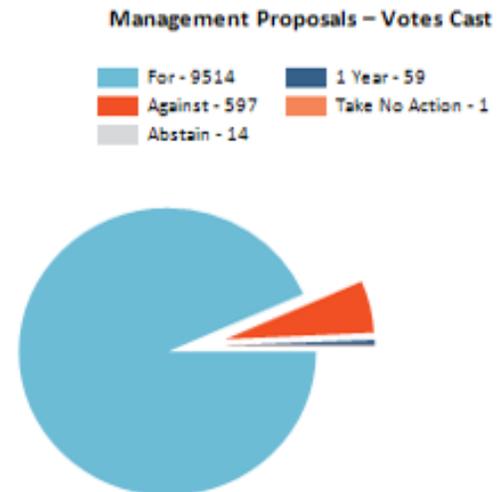


# MainePERS Voting – Votes Against Management

## Policy Reports

- Top Three Categories Against Management
  - Election of Directors – 408 Votes Against Management
  - Advisory on Compensation – 170 Votes Against Management
  - Shareholder Proposed Social Issues – 147 Votes Against Management

	Mgmt Proposals	SHP Proposals	Total Proposals
For	9514	264	9778
Against	597	166	763
Abstain	14	75	89
1 Year	59	0	59
2 Years	0	0	0
3 Years	0	0	0
Mixed	0	0	0
Take No Action	1	0	1
Unvoted	0	0	0
<b>Totals</b>	<b>10185</b>	<b>505</b>	<b>10690</b>



# MainePERS Policy Overview

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## Board Opposition

- Policy votes Against 5% of directors
- Policy considers if board is responsive to a majority against shareholder issue in forthcoming years
- Additional considerations for board independence

## Advisory Votes on Executive Compensation

- Vote Against Executive Compensation pay packages when total compensation is excessive compared against peer groups and the overall market

## Social Issues

- Case-by-case analysis of Political Spending and Charitable Contributions – 67% Against Management
- Thoughtful consideration regarding social issues while being mindful of the effect on company value
- Specific attention for Human Capital Management with value metrics – 79% Against Management

# MainePERS Voting – By Issue

- Top Issues
  - Board Related 73%
  - Compensation 11%
  - Auditor/Financials 9%

Proposal Category Type	For	Against	Abstain	Take No Action	Unvoted	Mixed	1 Year	2 Years	3 Years	Total
Totals	9778	763	89	1	0	0	59	0	0	10690
Audit/Financials	947	7	0	0	0	0	0	0	0	954
Board Related	7397	398	11	0	0	0	0	0	0	7806
Capital Management	86	2	0	0	0	0	0	0	0	88
Changes to Company Statutes	104	13	3	0	0	0	0	0	0	120
Compensation	901	168	0	0	0	0	59	0	0	1128
M&A	36	2	0	0	0	0	0	0	0	38
Meeting Administration	40	5	0	0	0	0	0	0	0	45
Other	3	2	0	1	0	0	0	0	0	6

# MainePERS Voting – By Shareholder Proposed Issues

- Top Shareholder Proposed Issues

- Governance Related 40%
- Social Issues 39%
- Environment 12%

- For/Against Breakdown

- 51% For, 31% Against
- 47% For, 24% Against
- 42% For, 31% Against

Proposal Category Type	For	Against	Abstain	Take No Action	Unvoted	Mixed	1 Year	2 Years	3 Years	Total
SHP: Compensation	20	12	7	0	0	0	0	0	0	39
SHP: Environment	25	30	5	0	0	0	0	0	0	60
SHP: Governance	122	75	6	0	0	0	0	0	0	203
SHP: Misc	5	3	0	0	0	0	0	0	0	8
SHP: Social	92	46	57	0	0	0	0	0	0	195

# Q&A

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### Board Responsibilities – Investments and Administration

#### 2.7 – Engagement

Date Adopted: February 11, 2016

Date Amended: October 11, 2018; November 18, 2021

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#### Policy

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

#### Statutory/Legal Provisions

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

#### Engagement

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

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

#### *Direct Engagement*

## Governance Manual

### MainePERS Board of Trustees

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

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

### *Shareholder Litigation*

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

### *Proxy Voting*

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

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

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

- Management resolutions
  - Elections of officers
  - Ratification of auditors
  - Governance structure and shareholder rights
  - Compensation
- Shareholder proposals
  - Environment

## Governance Manual

### MainePERS Board of Trustees

- Social matters
- Governance
- Compensation
- Mergers and proxy contests

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

## Investment General Practice

### 21.0 Engagement - Proxy Voting Implementation Guidelines

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#### Summary of Practice

MainePERS Board's Engagement Policy sets broad principles for the voting of System proxies. These principles are based on MainePERS' fiduciary duties, and call for voting in a manner designed to encourage good corporate stewardship and the maintenance of an appropriate balance of long and short-term goals. The Executive Director and Chief Investment Officer are charged with implementing proxy voting in a manner consistent with the System's Engagement Policy. This document contains specific guidance for placing votes on a broad variety of topics.

The System employs a proxy voting agent (currently Glass Lewis) to assist with both the mechanical and decision-making aspects of casting votes on over 15,000 proxy questions annually. The proxy voting agent develops an internal set of voting guidelines consistent with its interpretation of the principles of improving shareholder welfare. These principles and guidelines are used to establish the proxy agent's position on each item to be voted. In situations where MainePERS' guidance would lead to a different vote than the proxy agent's guidelines, the agent places votes so as to reflect MainePERS' guidance. In cases where the proxy agent is unable to determine a voting preference based on MainePERS's guidance, MainePERS is notified and manually places its vote based on internal discussion of the issue.

The attached "Proxy Voting Guidelines" document provides specific guidance as to how the Board's Engagement Policy will be implemented in a variety of specific voting situations.

#### Statutory/Legal/Policy Provisions

MainePERS Governance Manual, Board Policies 2.1, 2.7, 5.1, 5.2.

#### Ownership

This Policy is owned by the Chief Investment Officer.

Adopted this 3<sup>rd</sup> day of March, 2016.



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Andrew Sawyer  
Chief Investment Officer

## Proxy Voting Guidelines

### *Management Resolutions – Board of Directors*

Maine PERS generally supports the appointment of directors that protect shareholders' interests and enable companies to achieve long term growth and success. Boards should work to protect and enhance the best interests of shareholders, be at least a majority independent and include members with a record of positive performance with a diversity and depth of experience.

#### **Staggered or Classified Boards**

MainePERS generally favors non-staggered<sup>1</sup> and non-classified boards. MainePERS will therefore generally vote:

- Against proposals to establish or protect staggered or classified boards
- In favor of proposals to eliminate classification and staggering
- In favor of proposals for annual election of all directors

#### **Liability/Indemnification of Directors**

MainePERS expects directors to act in good faith and in the best interests of the company. MainePERS will therefore generally vote:

- Against proposals to limit/eliminate liability for violation of duty of care.
- Against proposals to indemnify directors in instances of gross negligence.
- In favor of proposals to indemnify where the directors acted in good faith and reasonably believed their action(s) was/were in the best interest of company.

#### **Nomination of Directors**

MainePERS will generally vote:

- Against proposals to limit/eliminate shareholders' right to nominate directors, to have a role in filling vacancies or to initiate/compel removal of directors.
- In favor of proposals to provide or protect shareholders' ability to nominate directors, to have a role in filling vacancies or to initiate/compel removal of directors.

#### **Independent Directors**

MainePERS is generally in favor of director independence<sup>2</sup> and therefore will generally vote:

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<sup>1</sup> A non-staggered (or non-classified) board features all directors elected to equal length terms at the same time. With a staggered board, only a fraction of directors are elected each year. An example of a staggered board would be one where one third of directors are elected each year, for three year terms. This feature makes hostile takeovers more difficult, as a potential acquirer will need multiple years to obtain board control.

<sup>2</sup> An independent (or "outside") director is not a current or former employee of the company, is not related to a key employee of the company, and has never worked for a major supplier, customer, service provider, or consultant to the company.

## MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

- Against proposals that would result in a majority of inside directors<sup>3</sup>.
- Against individual non-independent directors where non-independent directors would or already do comprise a majority of the Board.
- Against individual directors with any material business relationship with the company.
- In favor of proposals calling for appointment of an independent chair.
- In favor of proposals that all, or a majority of, directors be independent.
- In favor of proposals that audit, compensation and/or nominating committees consist entirely of, or a majority of, independent directors.

### **Directors Ignoring Majority Shareholder Votes**

In general, MainePERS will vote:

- Against individual director-candidates put forward by a Board where the candidates serve on a Board committee that has failed to implement shareholder proposals that (i) have received a majority of shareholder votes and (ii) that are in accordance with MainePERS' principles.

### **Directors – Attendance**

MainePERS will generally withhold votes:

- For individual directors who attend fewer than 75% of board and committee meetings.

### **Directors – Poor Performance**

MainePERS will generally withhold votes for directors judged to have poor committee performance. Criteria for poor performance include, but is not limited to:

- Compensation committee: Failing to link pay with performance or for egregious non-performance based compensation
- Governance committee: Adoption of anti-takeover defenses such as poison pill<sup>4</sup> and classified board.
- Governance committee: Adoption of limits on full legal recourse, such as exclusive forum provisions or fee-shifting bylaws and/or when the company's governing documents are reduced or suspended relating to an important shareholder right such as a takeover protection, ability to call a special meeting.
- Audit committee: Material restatements or un-remediated material weaknesses

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<sup>3</sup> An inside director is a director who is also an employee (e.g., CEO) or major stakeholder (e.g., labor union representative) of the company.

<sup>4</sup> A shareholder rights plan, typically referred to as a "poison pill" is a defensive tactic used to prevent a hostile takeover. Once adopted by a company, poison pills are typically triggered when a potential acquirer obtains a given percentage of a company's shares (e.g., 15%) without board approval. The poison pill then allows all other shareholders to acquire new shares at a low cost, effectively diluting the acquirer's stake and making a takeover impossible.

## Management Resolutions – Auditor

### *Auditor Ratification*

MainePERS believes that role of the auditor is crucial in protecting shareholder value and demand the services of objective and well-qualified auditors at all companies. Auditors should be free from conflicts of interest and should assiduously avoid situations that require them to make choices between their own interests and the interests of the shareholders.

MainePERS generally supports management's recommendation regarding the selection of an auditor. However, MainePERS will generally vote against the ratification of auditors for the following reasons:

- When audit fees added to audit-related fees total less than one-half of total fees.
- When there have been any recent restatements or late filings by the company where the auditor bears some responsibility for the restatement or late filing (e.g., a restatement due to a reporting error).
- When the company has aggressive accounting policies.
- When the company has poor disclosure or lack of transparency in financial statements.
- When there are other relationships or issues of concern with the auditor that might suggest a conflict between the interest of the auditor and the interests of shareholders.
- When the company is changing auditors as a result of a disagreement between the company and the auditor on a matter of accounting principles or practices, financial statement disclosure or auditing scope or procedures.

### *Auditor Rotation*

MainePERS typically supports audit related proposals regarding mandatory auditor rotation when the proposal uses a reasonable period of time (usually not less than 5-7 years).

## Management Resolutions – Governance Structure and Shareholder Rights

MainePERS generally supports resolutions that enhance shareholder rights.

### **Anti-Takeover Measures**

MainePERS generally opposes strategies implemented to prevent takeovers. MainePERS will therefore generally vote:

- Against proposals to establish, authorize or expand greenmail<sup>5</sup> payment authority.
- Against proposals to establish, authorize or expand poison pills except in circumstances regarding NOL poison pills<sup>6</sup> outlined below.

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<sup>5</sup> Greenmail refers to the practice of purchasing shares from a potential acquirer at an above-market price in order to dissuade an attempt at a takeover.

## MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

- In favor of anti-greenmail proposals and restrictions on greenmail payments.
- In favor of proposals to eliminate or limit poison pills except in the circumstance regarding NOL poison pills outlined below.
- In favor of proposals to require shareholder approval of poison pills.
- In favor of proposals to adopt or amend poison pills to include NOL protective provisions if the terms are narrowly tailored to prevent a change in control and in consideration of the value of the NOLs to the company, the likelihood of a change of ownership based on the size of the holding and the nature of the larger shareholders, the trigger threshold, whether the term of the plan is limited in duration or is subject to periodic board review and/or shareholder ratification without unduly limiting takeovers.

### **One Share-One Vote**

MainePERS will generally vote:

- Against proposals to issue shares having greater or lesser voting rights than other shares.
- In favor of proposals to prohibit or limit issuance of unequal-voting shares, or to eliminate dual class share structures.

### **Confidential/independently-verified voting**

MainePERS will generally vote:

- Against proposals to prohibit or eliminate confidential and/or independently verified voting.
- In favor of proposals to institute or expand confidential and/or independently verified voting.

### **Supermajority bylaw amendment**

MainePERS will generally vote:

- Against proposals to adopt supermajority requirement<sup>7</sup> for amendment of bylaws.
- In favor of proposals to remove supermajority requirement for amendment of bylaws.

### **Pre-emptive rights**

MainePERS will generally vote:

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<sup>6</sup> Net Operating Losses (NOLs) can be used to offset future income and constitute a valuable asset for some corporations. In some circumstances a change of corporate ownership can result in the value of these assets becoming significantly impaired, due to IRS regulations. NOL poison pills are poison pills designed specifically to prevent a change in ownership that would impair NOL assets, and serve to prevent takeovers in general.

<sup>7</sup> Under a supermajority requirement, bylaw changes require the approval of more than a simple majority of shareholders - typically 2/3 or greater.

## MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

- In favor of proposals to protect or restore shareholders' preemptive rights<sup>8</sup>.
- Against proposals to prohibit, eliminate or restrict shareholders' rights to purchase new share issues before others.

### **Proxy Access**

MainePERS will generally vote:

- Against proposals to deny shareholder access to proxy materials and process for purpose of presenting opposing views on management proposals.
- In favor of expanded proxy access<sup>9</sup> proposals with terms substantially similar to those proposed by the SEC, e.g., 3% shareholder holding shares for three years can nominate up to 20%/25% of the board.

### **Related Party Transactions**

MainePERS will generally vote:

- Against proposals to narrow the scope of related party transactions requiring scrutiny.
- Against proposals to not provide or to lessen disclosure of related party transactions.
- In favor of proposals to require scrutiny and/or disclosure of related party transactions.
- In favor of proposals that would broaden existing requirements for scrutiny and/or disclosure.

### **Competing Proposals**

MainePERS will generally vote:

- Against proposals that compete with or exclude shareholder proposals with materially preferable terms.

## **Management Resolutions – Compensation**

MainePERS generally supports compensation related resolutions in cases where the company has adequately aligned pay with long term performance.

### **Stock Options**

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<sup>8</sup> Preemptive rights provide existing shareholders with the right to purchase newly-issued before the new shares are offered to the general public. This allows shareholders to avoid dilution of their ownership percentage.

<sup>9</sup> Currently, corporate management produces proxy material containing their director nominations and various resolutions for shareholder consideration. Proposals for "proxy access" would allow shareholders meeting certain criteria (size of stake and time held) to also place items on the proxies distributed by the company.

## MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

MainePERS believes that appropriate use of stock options can benefit shareholders by more closely aligning company and employee interests. MainePERS will therefore generally vote:

- In favor of proposals that grant stock options broadly to employees, executives and directors.
- Against proposals that limit stock option grants to executives and/or directors or excessively favor executives and/or directors. MainePERS views an option program in which Named Executive Officers receive over 50% of options to be excessively favorable to executives.
- Against proposals that encourage management and directors to focus on near-term stock performance rather than long-term growth in company value.
- Against proposals that would obfuscate or hide dilution and earnings effects of stock options grants.
- In favor of proposals that meaningfully link stock option vesting to long-term growth in company value, e.g., indexed options<sup>10</sup>.
- In favor of proposals that would result in disclosure of dilution and earnings effects of stock option grants.

### **Golden Parachutes**

MainePERS generally supports golden parachutes related to mergers as long as amounts are subject to double triggers<sup>11</sup> and are reasonable. MainePERS will generally vote:

- In favor of proposals requiring shareholder approval of golden parachutes
- In favor of proposals setting reasonable restrictions or limitations on golden parachutes.
- Against proposals to establish, authorize or expand golden parachutes unless judged reasonable.

### **Say on Pay**

MainePERS will vote:

- In favor of proposals to annual frequency of “say on pay<sup>12</sup>” votes.
- Against proposals to adopt less than annual frequency of say on pay votes.

### **Rights of Key Employees and Outside Directors to acquire stock and/or participate in appreciated value of stock**

MainePERS will generally vote:

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<sup>10</sup> An employee stock option that can only be exercised if the company outperforms a given stock index (e.g., the S&P 500).

<sup>11</sup> The double triggers are that (i) the merger or acquisition actually occurs, and (ii) the executive’s employment is terminated.

<sup>12</sup> Say on Pay refers to an SEC requirement that shareholders be given the opportunity to vote on executive compensation at least once every three years, and that shareholders also vote on the frequency with which compensation will be considered.

## MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

- Against proposals that excessively dilute (i.e., 10% or greater dilution) shareholder equity.
- Against proposals that permit an exercise price that is less than 100% of fair market value (FMV) on date of option grant.
- In favor of proposals that are incentive-based and not otherwise unacceptable.
- In favor of proposals that require full disclosure of management and director compensation.
- In favor of proposals to require shareholder approval of key employee and director stock option plans.

### **Shareholder Proposals**

#### **Environmental**

MainePERS will generally vote:

- In favor of proposals calling for reasonable disclosures of risks or risk mitigation actions related to environmental factors.

#### **Social Matters**

MainePERS will generally vote:

- In favor of proposals that would allow charitable contributions and/or that require disclosure of contributions.
- In favor of proposals requesting disclosure of corporate political donations.
- In favor of proposals seeking to advance a social policy or objective when the proposal is expected to positively impact shareholder financial value.
- Against proposals seeking to advance a social policy or objective when the proposal is expected to negatively impact shareholder financial value.
- Abstain from voting on proposals seeking to advance a social policy or objective when the proposal is expected to have no impact on shareholder financial value.
- In favor of proposals calling for or supporting corporate policies or requirements that positively affect employee health and safety.
- Against proposals calling for or supporting corporate policies or requirements that negatively affect employee health and safety.

#### **Governance**

MainePERS will generally:

- Vote in favor of proposals to allow shareholders to call special meetings.
- Vote in favor of proposals allowing shareholders to act by written consent.
- Vote in favor of proposals requiring a director to own a minimum amount of company stock.

## MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

- Withhold votes from directors owning less than 100 shares of company stock.
- Vote AGAINST proposals to hold the annual meeting somewhere other than where management has proposed. However, MainePERS expects management to take shareholder expense and convenience into account when choosing meeting locations.

### **Compensation**

- MainePERS will generally vote in favor of proposals calling for companies to adopt a policy of not providing tax gross-up payments<sup>13</sup> to corporate executives, except in situations where gross-ups are provided pursuant to a plan, policy or arrangement applicable to management employees of the company, such as a relocation of expatriate tax equalization policy.
- MainePERS will generally vote in favor of proposals calling for board compensation committees to develop and disclose a policy for reviewing unearned bonus and incentive payments that were awarded to executive officers owing to fraud, financial results that require restatement or some other cause. The policy should require recovery or cancellation of any unearned awards to the extent that it is feasible and practical to do so.

### **Extraordinary Items**

#### **Reincorporation**

MainePERS will generally vote:

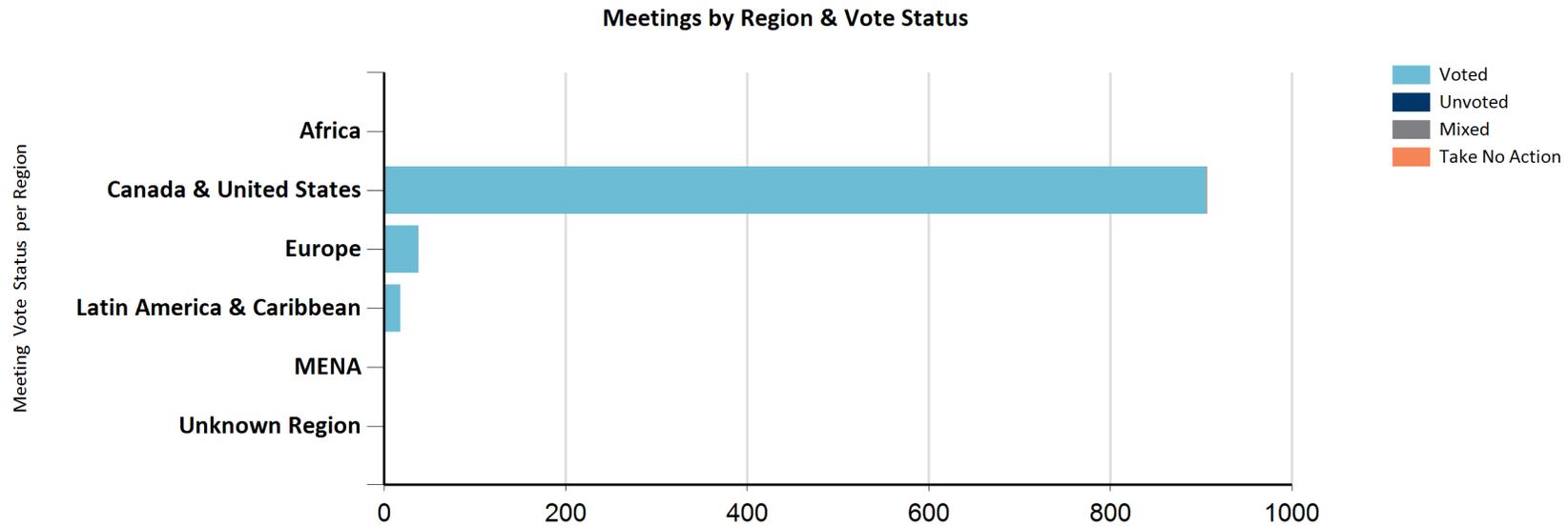
- Against proposals to reincorporate, whether on- or off-shore, where reincorporation will result in weakening of shareholder rights and/or lesser accountability of management and/or directors. Where off-shore reincorporation is proposed, substantial continuing benefit to company's long-term value must be shown to exist.
- In favor of proposals to reincorporate where reincorporation will result in improved shareholder rights and/or greater management and/or director accountability and, in the case of proposed off-shore reincorporation, where substantial continuing benefit to the company's long-term value is demonstrated to exist.

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<sup>13</sup> Tax gross-up payments are made so such that the net after tax payment received equals an agreed-upon amount.

# Meeting Statistics Report

From 7/1/2021 to 6/30/2022

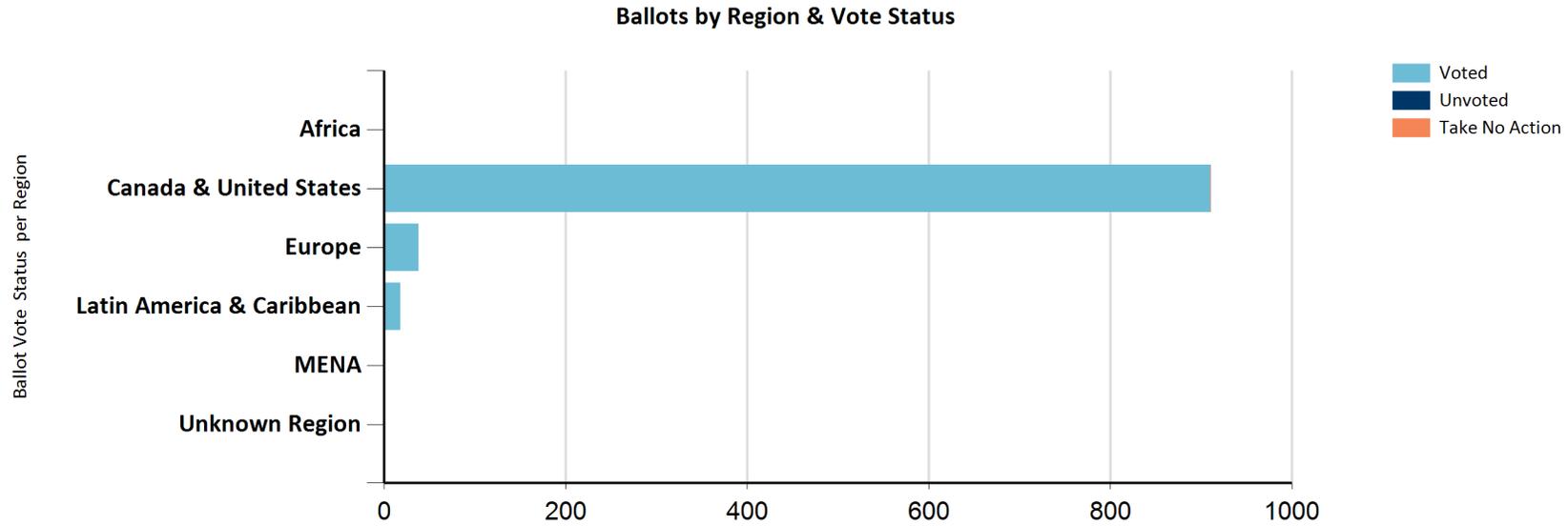


Region	Country Of Origin	Voted	Unvoted	Mixed	Take No Action	Total
<b>Total for all Regions</b>		<b>965</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>966</b>
<b>Africa</b>		<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>
	Liberia	1	0	0	0	1
<b>Canada &amp; United States</b>		<b>906</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>907</b>
	United States	906	0	0	1	907
<b>Europe</b>		<b>38</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>38</b>
	Ireland	15	0	0	0	15
	Jersey	4	0	0	0	4
	Luxembourg	4	0	0	0	4
	Netherlands	6	0	0	0	6

Switzerland	3	0	0	0	3
United Kingdom	6	0	0	0	6
<b>Latin America &amp; Caribbean</b>	<b>18</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>18</b>
Bermuda	12	0	0	0	12
Cayman Islands	3	0	0	0	3
Panama	1	0	0	0	1
Puerto Rico	1	0	0	0	1
Virgin Islands (British)	1	0	0	0	1
<b>MENA</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>
Israel	1	0	0	0	1
<b>Unknown Region</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>
Unknown Country	1	0	0	0	1

# Ballot Statistics Report

From 7/1/2021 to 6/30/2022



Region	Country Of Origin	Voted	Unvoted	Take No Action	Total
<b>Total for all Regions</b>		<b>969</b>	<b>0</b>	<b>1</b>	<b>970</b>
<b>Africa</b>		<b>1</b>	<b>0</b>	<b>0</b>	<b>1</b>
	Liberia	1	0	0	1
<b>Canada &amp; United States</b>		<b>910</b>	<b>0</b>	<b>1</b>	<b>911</b>
	United States	910	0	1	911
<b>Europe</b>		<b>38</b>	<b>0</b>	<b>0</b>	<b>38</b>
	Ireland	15	0	0	15
	Jersey	4	0	0	4
	Luxembourg	4	0	0	4
	Netherlands	6	0	0	6
	Switzerland	3	0	0	3

United Kingdom	6	0	0	6
<b>Latin America &amp; Caribbean</b>	<b>18</b>	<b>0</b>	<b>0</b>	<b>18</b>
Bermuda	12	0	0	12
Cayman Islands	3	0	0	3
Panama	1	0	0	1
Puerto Rico	1	0	0	1
Virgin Islands (British)	1	0	0	1
<b>MENA</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>1</b>
Israel	1	0	0	1
<b>Unknown Region</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>1</b>
Unknown Country	1	0	0	1

# Proposal Statistics Report

From 7/1/2021 to 6/30/2022

	Mgmt Proposals	SHP Proposals	Total Proposals
For	9557	265	<b>9822</b>
Against	602	166	<b>768</b>
Abstain	14	76	<b>90</b>
1 Year	59	0	<b>59</b>
2 Years	0	0	<b>0</b>
3 Years	0	0	<b>0</b>
Mixed	0	0	<b>0</b>
Take No Action	1	0	<b>1</b>
Unvoted	0	0	<b>0</b>
<b>Totals</b>	<b>10233</b>	<b>507</b>	<b>10740</b>

	Mgmt Proposals	SHP Proposals	Total Proposals
With Management	9612	174	<b>9786</b>
Against Management	618	326	<b>944</b>
N/A	2	7	<b>9</b>
Mixed	0	0	<b>0</b>
Take No Action	1	0	<b>1</b>
Unvoted	0	0	<b>0</b>
<b>Totals</b>	<b>10233</b>	<b>507</b>	<b>10740</b>

Management Proposals – Votes Cast

■ For - 9557    ■ 1 Year - 59  
■ Against - 602    ■ Take No Action - 1  
■ Abstain - 14



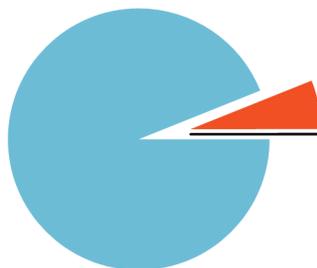
Shareholder Proposals – Votes Cast

■ For - 265    ■ Against - 166    ■ Abstain - 76



Management Proposals – Votes versus Management

■ With Mgmt - 9612    ■ Against Mgmt - 618  
■ N/A - 2    ■ Take No Action - 1



Shareholder Proposals – Votes versus Management

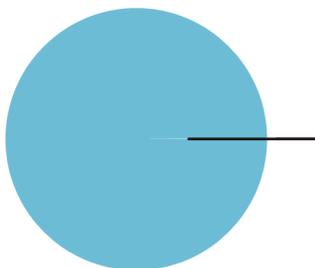
■ With Mgmt - 174    ■ Against Mgmt - 326  
■ N/A - 7



	Mgmt Proposals	SHP Proposals	Total Proposals
With Policy	10219	391	<b>10610</b>
Against Policy	6	0	<b>6</b>
Manual	5	116	<b>121</b>
N/A	2	0	<b>2</b>
Mixed	0	0	<b>0</b>
Take No Action	1	0	<b>1</b>
Unvoted	0	0	<b>0</b>
<b>Totals</b>	<b>10233</b>	<b>507</b>	<b>10740</b>

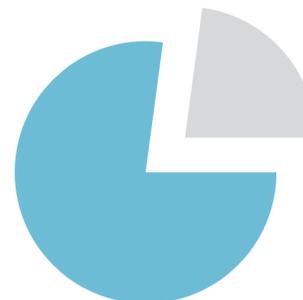
Management Proposals - Votes versus Policy

■ With Policy 10219     N/A 2  
■ Against Policy 6    ■ Take No Action 1  
■ Manual 5



Shareholder Proposals - Votes versus Policy

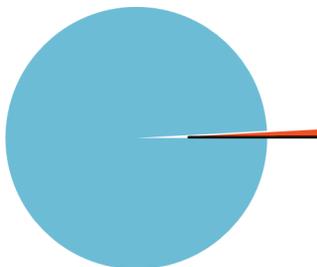
■ With Policy 391    ■ Manual 116



	Mgmt Proposals	SHP Proposals	Total Proposals
With Glass Lewis	10144	424	<b>10568</b>
Against Glass Lewis	86	83	<b>169</b>
N/A	2	0	<b>2</b>
Mixed	0	0	<b>0</b>
Take No Action	1	0	<b>1</b>
Unvoted	0	0	<b>0</b>
<b>Totals</b>	<b>10233</b>	<b>507</b>	<b>10740</b>

Management Proposals - Votes versus Glass Lewis

■ With GL 10144     N/A 2    ■ Take No Action 1  
■ Against GL 86



Shareholder Proposals - Votes versus Glass Lewis

■ With GL 424    ■ Against GL 83



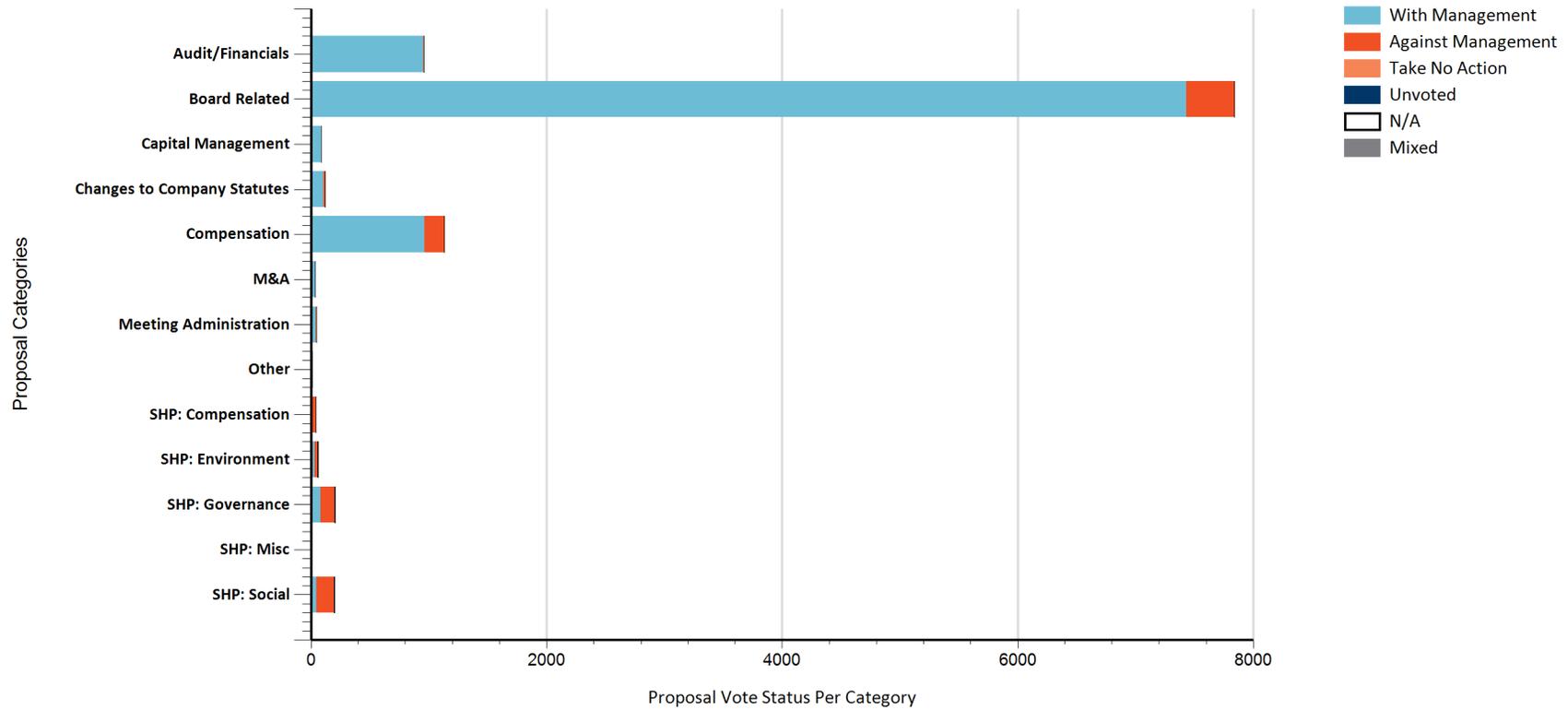
# Proposal Category Report

From 7/1/2021 to 6/30/2022

## Proposal Categories - All Votes

Proposal Category Type	For	Against	Abstain	Take No Action	Unvoted	Mixed	1 Year	2 Years	3 Years	Total
<b>Totals</b>	<b>9822</b>	<b>768</b>	<b>90</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>59</b>	<b>0</b>	<b>0</b>	<b>10740</b>
Audit/Financials	953	7	0	0	0	0	0	0	0	960
Board Related	7429	402	11	0	0	0	0	0	0	7842
Capital Management	86	2	0	0	0	0	0	0	0	88
Changes to Company Statutes	105	13	3	0	0	0	0	0	0	121
Compensation	905	169	0	0	0	0	59	0	0	1133
M&A	36	2	0	0	0	0	0	0	0	38
Meeting Administration	40	5	0	0	0	0	0	0	0	45
Other	3	2	0	1	0	0	0	0	0	6
SHP: Compensation	20	12	7	0	0	0	0	0	0	39
SHP: Environment	26	30	5	0	0	0	0	0	0	61
SHP: Governance	122	75	6	0	0	0	0	0	0	203
SHP: Misc	5	3	0	0	0	0	0	0	0	8
SHP: Social	92	46	58	0	0	0	0	0	0	196

### Proposal Categories - Votes versus Management

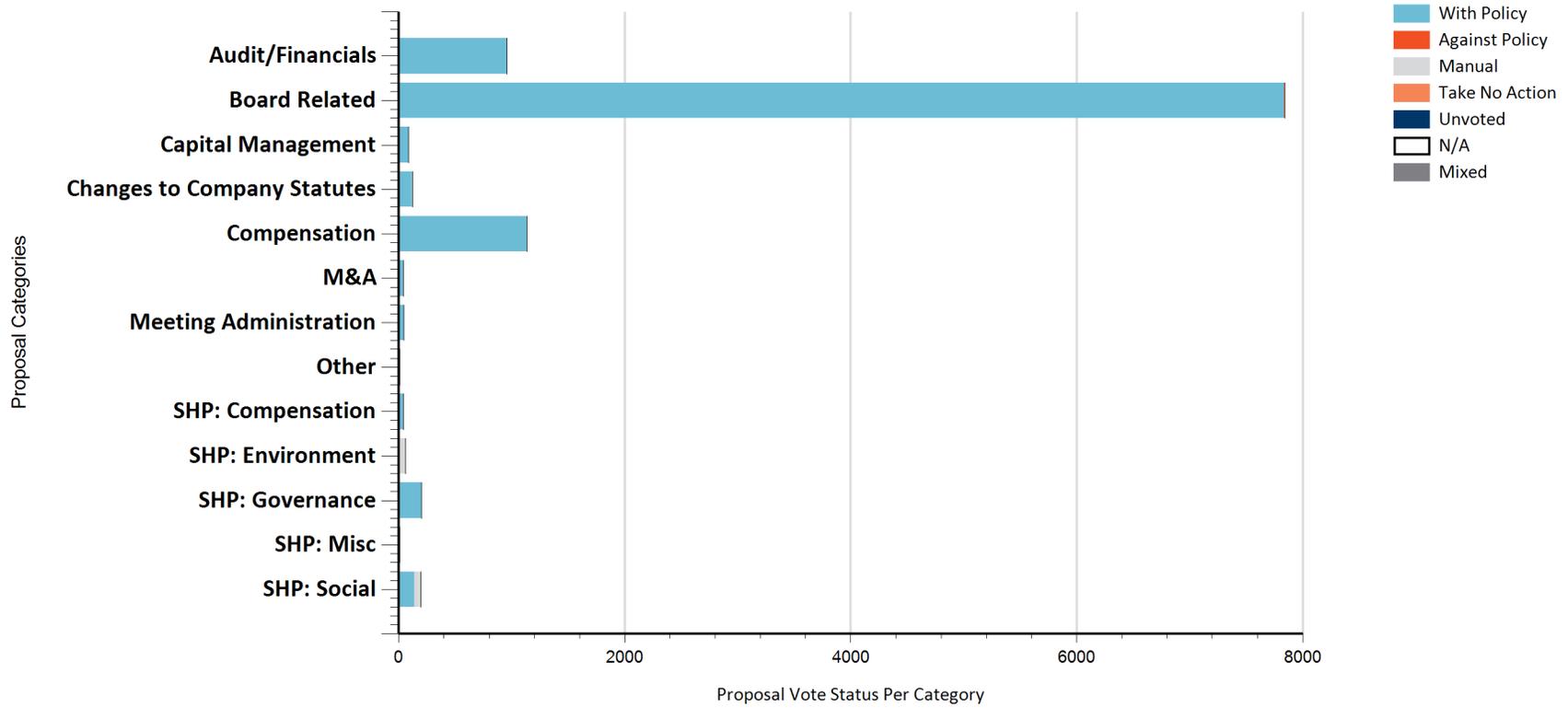


### Proposal Categories - Votes versus Management

Proposal Category Type	With Management	Against Management	Take No Action	Unvoted	N/A	Mixed	Total
<b>Totals</b>	<b>9786</b>	<b>944</b>	<b>1</b>	<b>0</b>	<b>9</b>	<b>0</b>	<b>10740</b>
Audit/Financials	953	7	0	0	0	0	<b>960</b>
Board Related	7430	412	0	0	0	0	<b>7842</b>
Capital Management	86	2	0	0	0	0	<b>88</b>
Changes to Company Statutes	104	17	0	0	0	0	<b>121</b>

<b>Proposal Category Type</b>	<b>With Management</b>	<b>Against Management</b>	<b>Take No Action</b>	<b>Unvoted</b>	<b>N/A</b>	<b>Mixed</b>	<b>Total</b>
Compensation	962	171	0	0	0	0	<b>1133</b>
M&A	36	2	0	0	0	0	<b>38</b>
Meeting Administration	40	5	0	0	0	0	<b>45</b>
Other	1	2	1	0	2	0	<b>6</b>
SHP: Compensation	12	27	0	0	0	0	<b>39</b>
SHP: Environment	33	25	0	0	3	0	<b>61</b>
SHP: Governance	79	121	0	0	3	0	<b>203</b>
SHP: Misc	3	5	0	0	0	0	<b>8</b>
SHP: Social	47	148	0	0	1	0	<b>196</b>

### Proposal Categories - Votes versus Policy

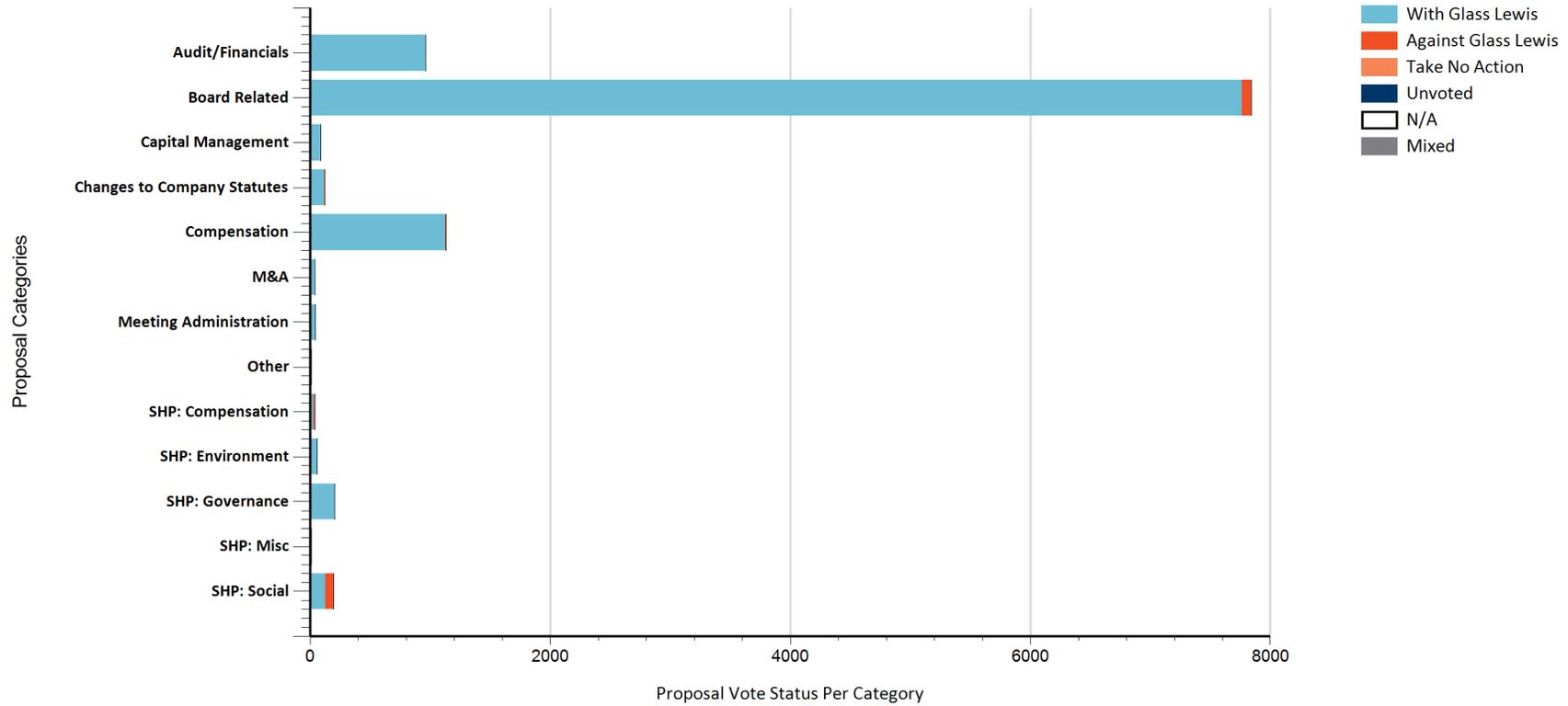


### Proposal Categories - Votes versus Policy

Proposal Category Type	With Policy	Against Policy	Manual	Take No Action	Unvoted	N/A	Mixed	Total
<b>Totals</b>	<b>10610</b>	<b>6</b>	<b>121</b>	<b>1</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>10740</b>
Audit/Financials	960	0	0	0	0	0	0	<b>960</b>
Board Related	7836	6	0	0	0	0	0	<b>7842</b>
Capital Management	88	0	0	0	0	0	0	<b>88</b>
Changes to Company Statutes	116	0	5	0	0	0	0	<b>121</b>

<b>Proposal Category Type</b>	<b>With Policy</b>	<b>Against Policy</b>	<b>Manual</b>	<b>Take No Action</b>	<b>Unvoted</b>	<b>N/A</b>	<b>Mixed</b>	<b>Total</b>
Compensation	1133	0	0	0	0	0	0	<b>1133</b>
M&A	38	0	0	0	0	0	0	<b>38</b>
Meeting Administration	45	0	0	0	0	0	0	<b>45</b>
Other	3	0	0	1	0	2	0	<b>6</b>
SHP: Compensation	39	0	0	0	0	0	0	<b>39</b>
SHP: Environment	4	0	57	0	0	0	0	<b>61</b>
SHP: Governance	203	0	0	0	0	0	0	<b>203</b>
SHP: Misc	8	0	0	0	0	0	0	<b>8</b>
SHP: Social	137	0	59	0	0	0	0	<b>196</b>

### Proposal Categories - Votes versus Glass Lewis



### Proposal Categories - Votes versus Glass Lewis

Proposal Category Type	With Glass Lewis	Against Glass Lewis	Take No Action	Unvoted	N/A	Mixed	Total
<b>Totals</b>	<b>10568</b>	<b>169</b>	<b>1</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>10740</b>
Audit/Financials	960	0	0	0	0	0	960
Board Related	7765	77	0	0	0	0	7842
Capital Management	88	0	0	0	0	0	88
Changes to Company Statutes	117	4	0	0	0	0	121

<b>Proposal Category Type</b>	<b>With Glass Lewis</b>	<b>Against Glass Lewis</b>	<b>Take No Action</b>	<b>Unvoted</b>	<b>N/A</b>	<b>Mixed</b>	<b>Total</b>
Compensation	1128	5	0	0	0	0	<b>1133</b>
M&A	38	0	0	0	0	0	<b>38</b>
Meeting Administration	45	0	0	0	0	0	<b>45</b>
Other	3	0	1	0	2	0	<b>6</b>
SHP: Compensation	30	9	0	0	0	0	<b>39</b>
SHP: Environment	57	4	0	0	0	0	<b>61</b>
SHP: Governance	203	0	0	0	0	0	<b>203</b>
SHP: Misc	8	0	0	0	0	0	<b>8</b>
SHP: Social	126	70	0	0	0	0	<b>196</b>









Issue Code Category	Issue Short Text	For	Against	Abstain	Take No			Mixed	1 Year	2 Years	3 Years	Total
					Action	Unvoted						
	Restructuring/Reorganization	1	0	0	0	0	0	0	0	0	1	
<b>Meeting Administration</b>		<b>40</b>	<b>5</b>	<b>0</b>	<b>45</b>							
	Appointment of Independent Proxy (Switzerland)	2	0	0	0	0	0	0	0	0	2	
	Authorization of Legal Formalities	1	0	0	0	0	0	0	0	0	1	
	Right to Adjourn Meeting	37	2	0	0	0	0	0	0	0	39	
	Transaction of Other Business	0	3	0	0	0	0	0	0	0	3	
<b>Other</b>		<b>3</b>	<b>2</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6</b>	
	Management Proposal Regarding ESG Issues	1	0	0	0	0	0	0	0	0	1	
	Misc. Proposal	0	2	0	1	0	0	0	0	0	3	
	OTHER	2	0	0	0	0	0	0	0	0	2	
<b>SHP: Compensation</b>		<b>20</b>	<b>12</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>32</b>	
	SHP Recoupment of Unearned Bonuses (Clawback)	2	3	0	0	0	0	0	0	0	5	
	SHP Regarding Golden Parachutes	13	0	0	0	0	0	0	0	0	13	
	SHP Regarding Linking Executive Pay to Social Criteria	0	0	1	0	0	0	0	0	0	1	
	SHP Regarding Misc. Compensation	3	2	0	0	0	0	0	0	0	5	
	SHP Regarding Race and/or Gender Pay Equity Report	2	0	5	0	0	0	0	0	0	7	
	SHP Regarding Report on Ratio Between CEO and Employee Pay	0	5	0	0	0	0	0	0	0	5	
	SHP Regarding Restricting Executive Compensation	0	2	1	0	0	0	0	0	0	3	
<b>SHP: Environment</b>		<b>26</b>	<b>30</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>56</b>	
	SHP Regarding Bioengineering / Nanotechnology Safety	0	0	1	0	0	0	0	0	0	1	





Issue Code Category	Issue Short Text	For	Against	Take No			Mixed	1 Year	2 Years	3 Years	Total
				Abstain	Action	Unvoted					
	SHP Regarding Tobacco/Alcohol	0	0	2	0	0	0	0	0	0	2

## Proposal Types – Votes Versus Management

Issue Code Category	Issue Code Description	With Management	Against Management	Take No Action	Unvoted	N/A	Mixed	Total
<b>Total for all Categories</b>		<b>9786</b>	<b>944</b>	<b>1</b>	<b>0</b>	<b>9</b>	<b>0</b>	<b>10740</b>
<b><i>Audit/Financials</i></b>		<b>953</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>960</b>
	Accounts and Reports (Bundled Issues)	1	0	0	0	0	0	1
	Allocation of Profits/Dividends	9	0	0	0	0	0	9
	Appointment of Auditor	17	0	0	0	0	0	17
	Appointment of Auditor and Authority to Set Fees	15	0	0	0	0	0	15
	Appointment of Special Auditor	1	0	0	0	0	0	1
	Authority to Set Auditor's Fees	10	0	0	0	0	0	10
	Financial Statements	19	0	0	0	0	0	19
	Ratification of Auditor	881	7	0	0	0	0	888
<b><i>Board Related</i></b>		<b>7430</b>	<b>412</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7842</b>
	Change in Board Size	5	0	0	0	0	0	5
	Election of Board Committee Members	6	1	0	0	0	0	7
	Election of Board Member(s) During a Contested Election – Management Nom	69	0	0	0	0	0	69
	Election of Directors	7294	407	0	0	0	0	7701

<b>Issue Code Category</b>	<b>Issue Code Description</b>	<b>With Management</b>	<b>Against Management</b>	<b>Take No Action</b>	<b>Unvoted</b>	<b>N/A</b>	<b>Mixed</b>	<b>Total</b>
	Election of Directors (Slate)	1	0	0	0	0	0	1
	Election of Non-Principal Members (Chairman, alternates)	1	1	0	0	0	0	2
	Election of Statutory Auditors	1	0	0	0	0	0	1
	Election of Subsidiary Directors	22	2	0	0	0	0	24
	Election of Supervisory Board	10	1	0	0	0	0	11
	Misc. Management Proposal Regarding Board	4	0	0	0	0	0	4
	Ratification of Board Acts - Legal	11	0	0	0	0	0	11
	Ratification of Co-Option of a Director	2	0	0	0	0	0	2
	Ratification of Management Acts - Legal	4	0	0	0	0	0	4
<b>Capital Management</b>		<b>86</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>88</b>
	Amendment to Authorized Preferred Stock	1	0	0	0	0	0	1
	Authority to Issue Shares w/ Preemptive Rights	14	1	0	0	0	0	15
	Authority to Issue Shares w/o Preemptive Rights	17	0	0	0	0	0	17
	Authority to Repurchase Preferred Shares	1	0	0	0	0	0	1
	Authority to Repurchase Shares	16	0	0	0	0	0	16
	Authority to Set Offering Price of Shares	5	0	0	0	0	0	5
	Cancellation of Authorized Stock	5	0	0	0	0	0	5
	Elimination of Dual Class Stock	3	0	0	0	0	0	3
	Increase in Authorized Capital	3	0	0	0	0	0	3
	Increase in Authorized Common Stock	13	1	0	0	0	0	14

<b>Issue Code Category</b>	<b>Issue Code Description</b>	<b>With Management</b>	<b>Against Management</b>	<b>Take No Action</b>	<b>Unvoted</b>	<b>N/A</b>	<b>Mixed</b>	<b>Total</b>
	Increase in/Authorization of Preferred Stock	1	0	0	0	0	0	1
	Issuance of Repurchased Shares	1	0	0	0	0	0	1
	Reduction in Share Premium Account	2	0	0	0	0	0	2
	Reverse Stock Split	1	0	0	0	0	0	1
	Share Repurchase	1	0	0	0	0	0	1
	Stock Split	2	0	0	0	0	0	2
<b>Changes to Company Statutes</b>		<b>104</b>	<b>17</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>121</b>
	Adoption of Majority Vote for Election of Directors	1	0	0	0	0	0	1
	Adoption of Poison Pill	0	1	0	0	0	0	1
	Amendment to Classified Board	0	1	0	0	0	0	1
	Amendment to Poison Pill	0	2	0	0	0	0	2
	Amendments to Charter/Bylaw - Bundled	6	1	0	0	0	0	7
	Approval of Exclusive Forum Provisions	0	4	0	0	0	0	4
	Article Amendments - Proxy Access	2	0	0	0	0	0	2
	Change in State of Incorporation	1	0	0	0	0	0	1
	Company Name Change	2	0	0	0	0	0	2
	Elimination of Supermajority Requirement	42	1	0	0	0	0	43
	Misc. Article Amendments	4	3	0	0	0	0	7
	Repeal of Classified Board	27	0	0	0	0	0	27
	Restoration of Right to Call a Special Meeting	10	2	0	0	0	0	12

Issue Code Category	Issue Code Description	With Management	Against Management	Take No Action	Unvoted	N/A	Mixed	Total
	Restoration of Written Consent	7	2	0	0	0	0	9
	Technical Amendments to Charter/Bylaw	2	0	0	0	0	0	2
<b>Compensation</b>		<b>962</b>	<b>171</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1133</b>
	Adoption of Director Equity Compensation Plan	5	0	0	0	0	0	5
	Adoption of Employee Stock Purchase Plan	19	0	0	0	0	0	19
	Adoption of Equity Compensation Plan	67	6	0	0	0	0	73
	Advisory Vote on Executive Compensation	695	139	0	0	0	0	834
	Advisory Vote on Severance	16	7	0	0	0	0	23
	Amendment to Director Equity Compensation Plan	3	1	0	0	0	0	4
	Amendment to Employee Stock Purchase Plan	17	0	0	0	0	0	17
	Amendment to Equity Compensation Plan	71	9	0	0	0	0	80
	Directors' Fees	3	1	0	0	0	0	4
	Non-Executive Remuneration Policy (Forward-Looking)	3	0	0	0	0	0	3
	Remuneration Policy (Forward-Looking)	3	1	0	0	0	0	4
	Remuneration Report (Retrospective)	3	3	0	0	0	0	6
	Say When on Pay	57	2	0	0	0	0	59
	Stock Option Grants	0	2	0	0	0	0	2
<b>M&amp;A</b>		<b>36</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>38</b>
	Merger/Acquisition	35	2	0	0	0	0	37
	Restructuring/Reorganization	1	0	0	0	0	0	1

Issue Code Category	Issue Code Description	With Management	Against Management	Take No Action	Unvoted	N/A	Mixed	Total
<b>Meeting Administration</b>		<b>40</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>45</b>
	Appointment of Independent Proxy (Switzerland)	2	0	0	0	0	0	2
	Authorization of Legal Formalities	1	0	0	0	0	0	1
	Right to Adjourn Meeting	37	2	0	0	0	0	39
	Transaction of Other Business	0	3	0	0	0	0	3
<b>Other</b>		<b>1</b>	<b>2</b>	<b>1</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>6</b>
	Management Proposal Regarding ESG Issues	1	0	0	0	0	0	1
	Misc. Proposal	0	2	1	0	0	0	3
	OTHER	0	0	0	0	2	0	2
<b>SHP: Compensation</b>		<b>12</b>	<b>27</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>39</b>
	SHP Recoupment of Unearned Bonuses (Clawback)	3	2	0	0	0	0	5
	SHP Regarding Golden Parachutes	0	13	0	0	0	0	13
	SHP Regarding Linking Executive Pay to Social Criteria	0	1	0	0	0	0	1
	SHP Regarding Misc. Compensation	2	3	0	0	0	0	5
	SHP Regarding Race and/or Gender Pay Equity Report	0	7	0	0	0	0	7
	SHP Regarding Report on Ratio Between CEO and Employee Pay	5	0	0	0	0	0	5
	SHP Regarding Restricting Executive Compensation	2	1	0	0	0	0	3
<b>SHP: Environment</b>		<b>33</b>	<b>25</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>61</b>
	SHP Regarding Bioengineering / Nanotechnology Safety	0	1	0	0	0	0	1
	SHP Regarding Climate Lobbying	1	2	0	0	0	0	3

Issue Code Category	Issue Code Description	With Management	Against Management	Take No Action	Unvoted	N/A	Mixed	Total
	SHP Regarding Environmental Report	12	1	0	0	0	0	13
	SHP Regarding Formation of Environmental/Social Committee of the	0	1	0	0	0	0	1
	SHP Regarding Misc. Energy/Environmental Issues	1	0	0	0	0	0	1
	SHP Regarding Report on Antibiotics in Animal Agriculture	0	2	0	0	0	0	2
	SHP Regarding Report/Action on Climate Change	12	7	0	0	1	0	20
	SHP Regarding Reporting and Reducing Greenhouse Gas Emissions	7	11	0	0	2	0	20
<b>SHP: Governance</b>		<b>79</b>	<b>121</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>203</b>
	SHP Regarding Board Composition	12	2	0	0	0	0	14
	SHP Regarding Directors' Roles in Corporate Strategy	0	1	0	0	0	0	1
	SHP Regarding Double Board Nominees	1	0	0	0	0	0	1
	SHP Regarding Eliminating Supermajority Provisions	5	4	0	0	1	0	10
	SHP Regarding Independent Board Chairman/Seperation of Chair and CEO	8	33	0	0	0	0	41
	SHP Regarding Majority Vote for Election of Directors	0	2	0	0	1	0	3
	SHP Regarding Misc. Board/Shareholder Rights Issue	3	1	0	0	0	0	4
	SHP Regarding Recapitalization	0	5	0	0	0	0	5
	SHP Regarding Reincorporation	4	0	0	0	0	0	4
	SHP Regarding Removal of Directors	0	1	0	0	0	0	1
	SHP Regarding Right to Act by Written Consent	4	5	0	0	0	0	9
	SHP Regarding Right to Call a Special Meeting	32	62	0	0	0	0	94
	SHP Regarding the Declassification of the Board	1	3	0	0	1	0	5

<b>Issue Code Category</b>	<b>Issue Code Description</b>	<b>With Management</b>	<b>Against Management</b>	<b>Take No Action</b>	<b>Unvoted</b>	<b>N/A</b>	<b>Mixed</b>	<b>Total</b>
	SHP Regarding Trained, Qualified Directors on Environment, Health and S	0	2	0	0	0	0	<b>2</b>
	SHP Shareholder Access to the Nomination Process (Proxy Access)	9	0	0	0	0	0	<b>9</b>
<b><i>SHP: Misc</i></b>		<b>3</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8</b>
	SHP: Misc. Issues	3	5	0	0	0	0	<b>8</b>
<b><i>SHP: Social</i></b>		<b>47</b>	<b>148</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>196</b>
	SHP Regarding Animal Welfare	0	3	0	0	1	0	<b>4</b>
	SHP Regarding Drug Pricing/Distribution	0	10	0	0	0	0	<b>10</b>
	SHP Regarding Firearms	0	1	0	0	0	0	<b>1</b>
	SHP Regarding Limiting or Ending Political Spending	1	0	0	0	0	0	<b>1</b>
	SHP Regarding Military Contracts/Sales	0	1	0	0	0	0	<b>1</b>
	SHP Regarding Misc. Human Capital Management	6	23	0	0	0	0	<b>29</b>
	SHP Regarding Misc. Human/Political Rights Policies	1	0	0	0	0	0	<b>1</b>
	SHP Regarding Misc. Labor Issues/Policies	2	0	0	0	0	0	<b>2</b>
	SHP Regarding Misc. Social Issue	0	59	0	0	0	0	<b>59</b>
	SHP Regarding Pregnancy/Abortion Issues	0	3	0	0	0	0	<b>3</b>
	SHP Regarding Report on EEO	0	1	0	0	0	0	<b>1</b>
	SHP Regarding Reporting on Company's Compliance with International Human R	11	6	0	0	0	0	<b>17</b>
	SHP Regarding Reviewing Charitable Spending	0	13	0	0	0	0	<b>13</b>
	SHP Regarding Reviewing Political Spending or Lobbying	26	26	0	0	0	0	<b>52</b>
	SHP Regarding Tobacco/Alcohol	0	2	0	0	0	0	<b>2</b>

## Proposal Types – Votes Versus Policy

Issue Code Category	Issue Code Description	With Policy	Against Policy	Manual	Take No Action	Unvoted	N/A	Mixed	Total
<b>Total for all Categories</b>		<b>10610</b>	<b>6</b>	<b>121</b>	<b>1</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>10740</b>
<b><i>Audit/Financials</i></b>		<b>960</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>960</b>
	Accounts and Reports (Bundled Issues)	1	0	0	0	0	0	0	1
	Allocation of Profits/Dividends	9	0	0	0	0	0	0	9
	Appointment of Auditor	17	0	0	0	0	0	0	17
	Appointment of Auditor and Authority to Set Fees	15	0	0	0	0	0	0	15
	Appointment of Special Auditor	1	0	0	0	0	0	0	1
	Authority to Set Auditor's Fees	10	0	0	0	0	0	0	10
	Financial Statements	19	0	0	0	0	0	0	19
	Ratification of Auditor	888	0	0	0	0	0	0	888
<b><i>Board Related</i></b>		<b>7836</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7842</b>
	Change in Board Size	5	0	0	0	0	0	0	5
	Election of Board Committee Members	7	0	0	0	0	0	0	7
	Election of Board Member(s) During a Contested Election – Management Nomi	69	0	0	0	0	0	0	69
	Election of Directors	7695	6	0	0	0	0	0	7701
	Election of Directors (Slate)	1	0	0	0	0	0	0	1
	Election of Non-Principal Members (Chairman, alternates)	2	0	0	0	0	0	0	2
	Election of Statutory Auditors	1	0	0	0	0	0	0	1
	Election of Subsidiary Directors	24	0	0	0	0	0	0	24



<b>Issue Code Category</b>	<b>Issue Code Description</b>	<b>With Policy</b>	<b>Against Policy</b>	<b>Manual</b>	<b>Take No Action</b>	<b>Unvoted</b>	<b>N/A</b>	<b>Mixed</b>	<b>Total</b>
	Share Repurchase	1	0	0	0	0	0	0	1
	Stock Split	2	0	0	0	0	0	0	2
<b><i>Changes to Company Statutes</i></b>		<b>116</b>	<b>0</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>121</b>
	Adoption of Majority Vote for Election of Directors	1	0	0	0	0	0	0	1
	Adoption of Poison Pill	1	0	0	0	0	0	0	1
	Amendment to Classified Board	1	0	0	0	0	0	0	1
	Amendment to Poison Pill	2	0	0	0	0	0	0	2
	Amendments to Charter/Bylaw - Bundled	7	0	0	0	0	0	0	7
	Approval of Exclusive Forum Provisions	0	0	4	0	0	0	0	4
	Article Amendments - Proxy Access	2	0	0	0	0	0	0	2
	Change in State of Incorporation	0	0	1	0	0	0	0	1
	Company Name Change	2	0	0	0	0	0	0	2
	Elimination of Supermajority Requirement	43	0	0	0	0	0	0	43
	Misc. Article Amendments	7	0	0	0	0	0	0	7
	Repeal of Classified Board	27	0	0	0	0	0	0	27
	Restoration of Right to Call a Special Meeting	12	0	0	0	0	0	0	12
	Restoration of Written Consent	9	0	0	0	0	0	0	9
	Technical Amendments to Charter/Bylaw	2	0	0	0	0	0	0	2
<b><i>Compensation</i></b>		<b>1133</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1133</b>
	Adoption of Director Equity Compensation Plan	5	0	0	0	0	0	0	5

Issue Code Category	Issue Code Description	With Policy	Against Policy	Manual	Take No Action	Unvoted	N/A	Mixed	Total
	Adoption of Employee Stock Purchase Plan	19	0	0	0	0	0	0	19
	Adoption of Equity Compensation Plan	73	0	0	0	0	0	0	73
	Advisory Vote on Executive Compensation	834	0	0	0	0	0	0	834
	Advisory Vote on Severance	23	0	0	0	0	0	0	23
	Amendment to Director Equity Compensation Plan	4	0	0	0	0	0	0	4
	Amendment to Employee Stock Purchase Plan	17	0	0	0	0	0	0	17
	Amendment to Equity Compensation Plan	80	0	0	0	0	0	0	80
	Directors' Fees	4	0	0	0	0	0	0	4
	Non-Executive Remuneration Policy (Forward-Looking)	3	0	0	0	0	0	0	3
	Remuneration Policy (Forward-Looking)	4	0	0	0	0	0	0	4
	Remuneration Report (Retrospective)	6	0	0	0	0	0	0	6
	Say When on Pay	59	0	0	0	0	0	0	59
	Stock Option Grants	2	0	0	0	0	0	0	2
<b>M&amp;A</b>		<b>38</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>38</b>
	Merger/Acquisition	37	0	0	0	0	0	0	37
	Restructuring/Reorganization	1	0	0	0	0	0	0	1
<b>Meeting Administration</b>		<b>45</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>45</b>
	Appointment of Independent Proxy (Switzerland)	2	0	0	0	0	0	0	2
	Authorization of Legal Formalities	1	0	0	0	0	0	0	1
	Right to Adjourn Meeting	39	0	0	0	0	0	0	39

Issue Code Category	Issue Code Description	With Policy	Against Policy	Manual	Take No Action	Unvoted	N/A	Mixed	Total
	Transaction of Other Business	3	0	0	0	0	0	0	3
<b>Other</b>		<b>3</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>6</b>
	Management Proposal Regarding ESG Issues	1	0	0	0	0	0	0	1
	Misc. Proposal	2	0	0	1	0	0	0	3
	OTHER	0	0	0	0	0	2	0	2
<b>SHP: Compensation</b>		<b>39</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>39</b>
	SHP Recoupment of Unearned Bonuses (Clawback)	5	0	0	0	0	0	0	5
	SHP Regarding Golden Parachutes	13	0	0	0	0	0	0	13
	SHP Regarding Linking Executive Pay to Social Criteria	1	0	0	0	0	0	0	1
	SHP Regarding Misc. Compensation	5	0	0	0	0	0	0	5
	SHP Regarding Race and/or Gender Pay Equity Report	7	0	0	0	0	0	0	7
	SHP Regarding Report on Ratio Between CEO and Employee Pay	5	0	0	0	0	0	0	5
	SHP Regarding Restricting Executive Compensation	3	0	0	0	0	0	0	3
<b>SHP: Environment</b>		<b>4</b>	<b>0</b>	<b>57</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>61</b>
	SHP Regarding Bioengineering / Nanotechnology Safety	1	0	0	0	0	0	0	1
	SHP Regarding Climate Lobbying	0	0	3	0	0	0	0	3
	SHP Regarding Environmental Report	0	0	13	0	0	0	0	13
	SHP Regarding Formation of Environmental/Social Committee of the	1	0	0	0	0	0	0	1
	SHP Regarding Misc. Energy/Environmental Issues	0	0	1	0	0	0	0	1
	SHP Regarding Report on Antibiotics in Animal Agriculture	2	0	0	0	0	0	0	2

Issue Code Category	Issue Code Description	With Policy	Against Policy	Manual	Take No Action	Unvoted	N/A	Mixed	Total
	SHP Regarding Report/Action on Climate Change	0	0	20	0	0	0	0	20
	SHP Regarding Reporting and Reducing Greenhouse Gas Emissions	0	0	20	0	0	0	0	20
<b>SHP: Governance</b>		<b>203</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>203</b>
	SHP Regarding Board Composition	14	0	0	0	0	0	0	14
	SHP Regarding Directors' Roles in Corporate Strategy	1	0	0	0	0	0	0	1
	SHP Regarding Double Board Nominees	1	0	0	0	0	0	0	1
	SHP Regarding Eliminating Supermajority Provisions	10	0	0	0	0	0	0	10
	SHP Regarding Independent Board Chairman/Seperation of Chair and CEO	41	0	0	0	0	0	0	41
	SHP Regarding Majority Vote for Election of Directors	3	0	0	0	0	0	0	3
	SHP Regarding Misc. Board/Shareholder Rights Issue	4	0	0	0	0	0	0	4
	SHP Regarding Recapitalization	5	0	0	0	0	0	0	5
	SHP Regarding Reincorporation	4	0	0	0	0	0	0	4
	SHP Regarding Removal of Directors	1	0	0	0	0	0	0	1
	SHP Regarding Right to Act by Written Consent	9	0	0	0	0	0	0	9
	SHP Regarding Right to Call a Special Meeting	94	0	0	0	0	0	0	94
	SHP Regarding the Declassification of the Board	5	0	0	0	0	0	0	5
	SHP Regarding Trained, Qualified Directors on Environment, Health and Sa	2	0	0	0	0	0	0	2
	SHP Shareholder Access to the Nomination Process (Proxy Access)	9	0	0	0	0	0	0	9
<b>SHP: Misc</b>		<b>8</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8</b>
	SHP: Misc. Issues	8	0	0	0	0	0	0	8

Issue Code Category	Issue Code Description	With Policy	Against Policy	Manual	Take No Action	Unvoted	N/A	Mixed	Total
<b>SHP: Social</b>		<b>137</b>	<b>0</b>	<b>59</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>196</b>
	SHP Regarding Animal Welfare	4	0	0	0	0	0	0	4
	SHP Regarding Drug Pricing/Distribution	10	0	0	0	0	0	0	10
	SHP Regarding Firearms	1	0	0	0	0	0	0	1
	SHP Regarding Limiting or Ending Political Spending	0	0	1	0	0	0	0	1
	SHP Regarding Military Contracts/Sales	1	0	0	0	0	0	0	1
	SHP Regarding Misc. Human Capital Management	23	0	6	0	0	0	0	29
	SHP Regarding Misc. Human/Political Rights Policies	1	0	0	0	0	0	0	1
	SHP Regarding Misc. Labor Issues/Policies	2	0	0	0	0	0	0	2
	SHP Regarding Misc. Social Issue	59	0	0	0	0	0	0	59
	SHP Regarding Pregnancy/Abortion Issues	3	0	0	0	0	0	0	3
	SHP Regarding Report on EEO	1	0	0	0	0	0	0	1
	SHP Regarding Reporting on Company's Compliance with International Human Ri	17	0	0	0	0	0	0	17
	SHP Regarding Reviewing Charitable Spending	13	0	0	0	0	0	0	13
	SHP Regarding Reviewing Political Spending or Lobbying	0	0	52	0	0	0	0	52
	SHP Regarding Tobacco/Alcohol	2	0	0	0	0	0	0	2

## Proposal Types – Votes Versus Glass Lewis

Issue Code Category	Issue Code Description	With Glass Lewis	Against Glass Lewis	Take No Action	Unvoted	N/A	Mixed	Total
<b>Total for all Categories</b>		<b>10568</b>	<b>169</b>	<b>1</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>10740</b>
<b><i>Audit/Financials</i></b>		<b>960</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>960</b>
	Accounts and Reports (Bundled Issues)	1	0	0	0	0	0	1
	Allocation of Profits/Dividends	9	0	0	0	0	0	9
	Appointment of Auditor	17	0	0	0	0	0	17
	Appointment of Auditor and Authority to Set Fees	15	0	0	0	0	0	15
	Appointment of Special Auditor	1	0	0	0	0	0	1
	Authority to Set Auditor's Fees	10	0	0	0	0	0	10
	Financial Statements	19	0	0	0	0	0	19
	Ratification of Auditor	888	0	0	0	0	0	888
<b><i>Board Related</i></b>		<b>7765</b>	<b>77</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7842</b>
	Change in Board Size	5	0	0	0	0	0	5
	Election of Board Committee Members	7	0	0	0	0	0	7
	Election of Board Member(s) During a Contested Election – Management Nomi	69	0	0	0	0	0	69
	Election of Directors	7624	77	0	0	0	0	7701
	Election of Directors (Slate)	1	0	0	0	0	0	1
	Election of Non-Principal Members (Chairman, alternates)	2	0	0	0	0	0	2
	Election of Statutory Auditors	1	0	0	0	0	0	1
	Election of Subsidiary Directors	24	0	0	0	0	0	24
	Election of Supervisory Board	11	0	0	0	0	0	11

<b>Issue Code Category</b>	<b>Issue Code Description</b>	<b>With Glass Lewis</b>	<b>Against Glass Lewis</b>	<b>Take No Action</b>	<b>Unvoted</b>	<b>N/A</b>	<b>Mixed</b>	<b>Total</b>
	Misc. Management Proposal Regarding Board	4	0	0	0	0	0	<b>4</b>
	Ratification of Board Acts - Legal	11	0	0	0	0	0	<b>11</b>
	Ratification of Co-Option of a Director	2	0	0	0	0	0	<b>2</b>
	Ratification of Management Acts - Legal	4	0	0	0	0	0	<b>4</b>
<b>Capital Management</b>		<b>88</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>88</b>
	Amendment to Authorized Preferred Stock	1	0	0	0	0	0	<b>1</b>
	Authority to Issue Shares w/ Preemptive Rights	15	0	0	0	0	0	<b>15</b>
	Authority to Issue Shares w/o Preemptive Rights	17	0	0	0	0	0	<b>17</b>
	Authority to Repurchase Preferred Shares	1	0	0	0	0	0	<b>1</b>
	Authority to Repurchase Shares	16	0	0	0	0	0	<b>16</b>
	Authority to Set Offering Price of Shares	5	0	0	0	0	0	<b>5</b>
	Cancellation of Authorized Stock	5	0	0	0	0	0	<b>5</b>
	Elimination of Dual Class Stock	3	0	0	0	0	0	<b>3</b>
	Increase in Authorized Capital	3	0	0	0	0	0	<b>3</b>
	Increase in Authorized Common Stock	14	0	0	0	0	0	<b>14</b>
	Increase in/Authorization of Preferred Stock	1	0	0	0	0	0	<b>1</b>
	Issuance of Repurchased Shares	1	0	0	0	0	0	<b>1</b>
	Reduction in Share Premium Account	2	0	0	0	0	0	<b>2</b>
	Reverse Stock Split	1	0	0	0	0	0	<b>1</b>
	Share Repurchase	1	0	0	0	0	0	<b>1</b>

Issue Code Category	Issue Code Description	With Glass Lewis	Against Glass Lewis	Take No Action	Unvoted	N/A	Mixed	Total
	Stock Split	2	0	0	0	0	0	2
<b>Changes to Company Statutes</b>		<b>117</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>121</b>
	Adoption of Majority Vote for Election of Directors	1	0	0	0	0	0	1
	Adoption of Poison Pill	0	1	0	0	0	0	1
	Amendment to Classified Board	0	1	0	0	0	0	1
	Amendment to Poison Pill	0	2	0	0	0	0	2
	Amendments to Charter/Bylaw - Bundled	7	0	0	0	0	0	7
	Approval of Exclusive Forum Provisions	4	0	0	0	0	0	4
	Article Amendments - Proxy Access	2	0	0	0	0	0	2
	Change in State of Incorporation	1	0	0	0	0	0	1
	Company Name Change	2	0	0	0	0	0	2
	Elimination of Supermajority Requirement	43	0	0	0	0	0	43
	Misc. Article Amendments	7	0	0	0	0	0	7
	Repeal of Classified Board	27	0	0	0	0	0	27
	Restoration of Right to Call a Special Meeting	12	0	0	0	0	0	12
	Restoration of Written Consent	9	0	0	0	0	0	9
	Technical Amendments to Charter/Bylaw	2	0	0	0	0	0	2
<b>Compensation</b>		<b>1128</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1133</b>
	Adoption of Director Equity Compensation Plan	5	0	0	0	0	0	5
	Adoption of Employee Stock Purchase Plan	19	0	0	0	0	0	19

<b>Issue Code Category</b>	<b>Issue Code Description</b>	<b>With Glass Lewis</b>	<b>Against Glass Lewis</b>	<b>Take No Action</b>	<b>Unvoted</b>	<b>N/A</b>	<b>Mixed</b>	<b>Total</b>
	Adoption of Equity Compensation Plan	70	3	0	0	0	0	<b>73</b>
	Advisory Vote on Executive Compensation	834	0	0	0	0	0	<b>834</b>
	Advisory Vote on Severance	23	0	0	0	0	0	<b>23</b>
	Amendment to Director Equity Compensation Plan	3	1	0	0	0	0	<b>4</b>
	Amendment to Employee Stock Purchase Plan	17	0	0	0	0	0	<b>17</b>
	Amendment to Equity Compensation Plan	79	1	0	0	0	0	<b>80</b>
	Directors' Fees	4	0	0	0	0	0	<b>4</b>
	Non-Executive Remuneration Policy (Forward-Looking)	3	0	0	0	0	0	<b>3</b>
	Remuneration Policy (Forward-Looking)	4	0	0	0	0	0	<b>4</b>
	Remuneration Report (Retrospective)	6	0	0	0	0	0	<b>6</b>
	Say When on Pay	59	0	0	0	0	0	<b>59</b>
	Stock Option Grants	2	0	0	0	0	0	<b>2</b>
<b>M&amp;A</b>		<b>38</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>38</b>
	Merger/Acquisition	37	0	0	0	0	0	<b>37</b>
	Restructuring/Reorganization	1	0	0	0	0	0	<b>1</b>
<b>Meeting Administration</b>		<b>45</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>45</b>
	Appointment of Independent Proxy (Switzerland)	2	0	0	0	0	0	<b>2</b>
	Authorization of Legal Formalities	1	0	0	0	0	0	<b>1</b>
	Right to Adjourn Meeting	39	0	0	0	0	0	<b>39</b>
	Transaction of Other Business	3	0	0	0	0	0	<b>3</b>

Issue Code Category	Issue Code Description	With Glass Lewis	Against Glass Lewis	Take No Action	Unvoted	N/A	Mixed	Total
<b>Other</b>		<b>3</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>6</b>
	Management Proposal Regarding ESG Issues	1	0	0	0	0	0	1
	Misc. Proposal	2	0	1	0	0	0	3
	OTHER	0	0	0	0	2	0	2
<b>SHP: Compensation</b>		<b>30</b>	<b>9</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>39</b>
	SHP Recoupment of Unearned Bonuses (Clawback)	5	0	0	0	0	0	5
	SHP Regarding Golden Parachutes	10	3	0	0	0	0	13
	SHP Regarding Linking Executive Pay to Social Criteria	0	1	0	0	0	0	1
	SHP Regarding Misc. Compensation	5	0	0	0	0	0	5
	SHP Regarding Race and/or Gender Pay Equity Report	2	5	0	0	0	0	7
	SHP Regarding Report on Ratio Between CEO and Employee Pay	5	0	0	0	0	0	5
	SHP Regarding Restricting Executive Compensation	3	0	0	0	0	0	3
<b>SHP: Environment</b>		<b>57</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>61</b>
	SHP Regarding Bioengineering / Nanotechnology Safety	0	1	0	0	0	0	1
	SHP Regarding Climate Lobbying	3	0	0	0	0	0	3
	SHP Regarding Environmental Report	13	0	0	0	0	0	13
	SHP Regarding Formation of Environmental/Social Committee of the	0	1	0	0	0	0	1
	SHP Regarding Misc. Energy/Environmental Issues	1	0	0	0	0	0	1
	SHP Regarding Report on Antibiotics in Animal Agriculture	0	2	0	0	0	0	2
	SHP Regarding Report/Action on Climate Change	20	0	0	0	0	0	20

Issue Code Category	Issue Code Description	With Glass Lewis	Against Glass Lewis	Take No Action	Unvoted	N/A	Mixed	Total
	SHP Regarding Reporting and Reducing Greenhouse Gas Emissions	20	0	0	0	0	0	20
<b>SHP: Governance</b>		<b>203</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>203</b>
	SHP Regarding Board Composition	14	0	0	0	0	0	14
	SHP Regarding Directors' Roles in Corporate Strategy	1	0	0	0	0	0	1
	SHP Regarding Double Board Nominees	1	0	0	0	0	0	1
	SHP Regarding Eliminating Supermajority Provisions	10	0	0	0	0	0	10
	SHP Regarding Independent Board Chairman/Seperation of Chair and CEO	41	0	0	0	0	0	41
	SHP Regarding Majority Vote for Election of Directors	3	0	0	0	0	0	3
	SHP Regarding Misc. Board/Shareholder Rights Issue	4	0	0	0	0	0	4
	SHP Regarding Recapitalization	5	0	0	0	0	0	5
	SHP Regarding Reincorporation	4	0	0	0	0	0	4
	SHP Regarding Removal of Directors	1	0	0	0	0	0	1
	SHP Regarding Right to Act by Written Consent	9	0	0	0	0	0	9
	SHP Regarding Right to Call a Special Meeting	94	0	0	0	0	0	94
	SHP Regarding the Declassification of the Board	5	0	0	0	0	0	5
	SHP Regarding Trained, Qualified Directors on Environment, Health and Sa	2	0	0	0	0	0	2
	SHP Shareholder Access to the Nomination Process (Proxy Access)	9	0	0	0	0	0	9
<b>SHP: Misc</b>		<b>8</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8</b>
	SHP: Misc. Issues	8	0	0	0	0	0	8
<b>SHP: Social</b>		<b>126</b>	<b>70</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>196</b>

<b>Issue Code Category</b>	<b>Issue Code Description</b>	<b>With Glass Lewis</b>	<b>Against Glass Lewis</b>	<b>Take No Action</b>	<b>Unvoted</b>	<b>N/A</b>	<b>Mixed</b>	<b>Total</b>
	SHP Regarding Animal Welfare	1	3	0	0	0	0	<b>4</b>
	SHP Regarding Drug Pricing/Distribution	1	9	0	0	0	0	<b>10</b>
	SHP Regarding Firearms	0	1	0	0	0	0	<b>1</b>
	SHP Regarding Limiting or Ending Political Spending	1	0	0	0	0	0	<b>1</b>
	SHP Regarding Military Contracts/Sales	1	0	0	0	0	0	<b>1</b>
	SHP Regarding Misc. Human Capital Management	29	0	0	0	0	0	<b>29</b>
	SHP Regarding Misc. Human/Political Rights Policies	1	0	0	0	0	0	<b>1</b>
	SHP Regarding Misc. Labor Issues/Policies	2	0	0	0	0	0	<b>2</b>
	SHP Regarding Misc. Social Issue	20	39	0	0	0	0	<b>59</b>
	SHP Regarding Pregnancy/Abortion Issues	0	3	0	0	0	0	<b>3</b>
	SHP Regarding Report on EEO	1	0	0	0	0	0	<b>1</b>
	SHP Regarding Reporting on Company's Compliance with International Human Ri	17	0	0	0	0	0	<b>17</b>
	SHP Regarding Reviewing Charitable Spending	0	13	0	0	0	0	<b>13</b>
	SHP Regarding Reviewing Political Spending or Lobbying	52	0	0	0	0	0	<b>52</b>
	SHP Regarding Tobacco/Alcohol	0	2	0	0	0	0	<b>2</b>

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# MAINEPERS

## BOARD OF TRUSTEES RULEMAKING MEMORANDUM

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**TO:** BOARD MEMBERS  
**FROM:** MICHAEL J. COLLERAN, CHIEF OPERATING OFFICER AND  
GENERAL COUNSEL  
**SUBJECT:** RULEMAKING UPDATE  
**DATE:** JULY 6, 2022

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The July Board meeting will include a public hearing on proposed amendments to Rule Chapter 414 (Required Minimum Distributions) and Board consideration of proposed amendments to Rule Chapter 803 (Participating Local District (“PLD”) Consolidated Retirement Plan).

We intend to publish notice of intent to amend Rule Chapters 509 (Determination of Impossibility to Perform the Duties of the Employment Position) and 702 (Appeals) to address disability law changes. A public hearing would be held at the August Board meeting.

### **POLICY REFERENCE**

[Board Policy 2.3 -- Rulemaking](#)

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

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

### **RULE CHAPTER 414**

Rule 414 rule provides guidance on compliance with federal required minimum distribution requirements for the defined benefit plans. The proposed amendments address a circumstance not covered by the existing rule, the default option for a beneficiary of a vested member who does not choose between lump-sum and annuity options. A copy of the proposed amended rule is attached.

A public hearing provides an opportunity for members of the public to comment on proposed rulemaking. It is not the time for the Board to make any decisions or for the Board or staff to provide responses to any comments or questions. Comments from the public may also be submitted in writing through July 25, 2022. We then will consider all comments, make any

revisions we think appropriate in response to the comments, and bring a recommendation to the Board for action at a future meeting.

### **RULE CHAPTER 803**

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

No members of the public commented on the proposed amendment during the public hearing at the June Board meeting. Two individuals submitted written comments prior to the June 20, 2022 deadline. One of the individuals supported the proposal. The other requested consideration of developing a new class of COLA for retirees affected by the Social Security Windfall Elimination Provision. We will bring this suggestion to the PLD Advisory Committee for consideration, but do not believe it provides grounds for changing the proposed amendments.

### **RECOMMENDATION**

*That the Board adopt amended Rule Chapter 803 and its Basis Statement.*

94-411 MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

Chapter 414: REQUIRED MINIMUM DISTRIBUTIONS

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**SUMMARY:** This Chapter establishes the date when a member must begin to receive a service retirement benefit or withdraw accumulated contributions under a retirement program pursuant to *Internal Revenue Code* Section 401(a)(9), and any Code requirements on the form of distribution.

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**SECTION 1. DEFINITIONS**

1. **Code.** “Code” means the *Internal Revenue Code of 1986*, as amended.
2. **Member.** “Member” as used in this Chapter means member or retiree, depending on the context.
2. **Required Beginning Date.** “Required Beginning Date” means the later of the April 1 following the calendar year in which the member attains age 72 (70½ for members born before July 1, 1949) or April 1 of the year following the calendar year in which a member terminates employment.
3. **QDRO.** “QDRO” means qualified domestic relations order, as defined in Code Section 414(p).
4. **Vested.** “Vested” means that the member has met the creditable service requirement and/or applicable age requirement for eligibility to receive a service retirement benefit from the retirement plan under which the member is covered.

**SECTION 2. COMPLIANCE WITH CODE SECTION 401(a)(9) FOR A REQUIRED MINIMUM DISTRIBUTION TO A VESTED MEMBER**

1. Distribution of a service retirement benefit to a vested member must commence no later than the Required Beginning Date. If a member fails to apply for a service retirement benefit by the Required Beginning Date, the System will begin distribution of the monthly service retirement benefit under the benefit option set forth in 4 M.R.S.A. §1357(1), 5 M.R.S.A. §§ 17804(1) or 18404(1), as applicable to the member based upon the employer at last termination of employment before retirement.
  - A. The effective date of a service retirement benefit paid under this subsection is no later than April 1 of the year in which the Required Beginning Date occurs.
  - B. Once a service retirement benefit commences to be paid under this subsection, the member may not change the benefit option under which the benefit is paid.
2. The member’s entire interest must be distributed over a time not to exceed the member’s life or the lives of the member and a designated beneficiary, or over a period not extending beyond the life expectancy of the member or of the member and a designated beneficiary.

3. The retirement program pursuant to a QDRO may establish separate benefits for a member and an alternate payee.
4. If a member dies after the required distribution of benefits has begun, the remaining portion of the member's interest must be distributed at least as rapidly as under the method of distribution before the member's death.
5. If a member dies before required distribution of the member's benefits has begun, the member's entire interest must be either:
  - A. distributed (in accordance with federal regulations) over a time not to exceed the life or life expectancy of the designated beneficiary, with the distributions beginning no later than December 31 of the calendar year following the calendar year of the member's death; or
  - B. distributed within five years of the member's death.
6. The amount of an annuity paid to a member's beneficiary may not exceed the maximum determined under the incidental death benefit requirement of Code Section 401(a)(9)(G), and the minimum distribution incidental benefit (MDIB) rule under Treasury Regulation Section 1.401(a)(9)-6, Q&A2 or any successor regulation thereto.
  - A. All payments to a member's spouse are treated by the regulations as satisfying the MDIB rules as long as the payment to the spouse is not greater than 100% of what the member was receiving.
  - B. All optional forms of benefits payable to a non-spousal beneficiary must be designed to pay 50% or more of the present value of the total benefit to the member.
7. The death and disability benefits provided by each retirement program are limited by the incidental benefit rule set forth in Code Section 401(a)(9)(G) and Treasury Regulation Section 1.401-1(b)(1)(i) or any successor regulation thereto. As a result, the total death or disability benefits payable may not exceed 25% of the cost for all of the member's benefits received from each retirement program.
8. Notwithstanding the other provisions of this rule or the provisions of the Treasury Regulations, benefit options under 4 M.R.S.A. §1357, 5 M.R.S.A. §§ 17804 and 18404 may continue so long as the option satisfies Code Section 401(a)(9) based on a reasonable and good faith interpretation of that section. Benefit options that do not satisfy this Section will not be available to the member or beneficiary.

### **SECTION 3. COMPLIANCE WITH CODE SECTION 401(a)(9) FOR A REQUIRED MINIMUM DISTRIBUTION TO A MEMBER WHO IS NOT VESTED**

If a member who is not vested and has terminated employment fails to apply for a refund of accumulated contributions by January 1 of the year when the member will attain age 72 (70½ for members born before July 1, 1949), the System will refund the full amount of accumulated contributions to the member. Once a distribution is made under this Section, the member may not change the manner in which the accumulated contributions are distributed.

**SECTION 4. COMPLIANCE WITH CODE SECTION 401(a)(9) FOR A REQUIRED  
MINIMUM DISTRIBUTION TO A BENEFICIARY OF A VESTED MEMBER.**

If the benefit selection form for a beneficiary of a vested member who has a choice between a lump-sum payment, or a lifetime benefit is not received by MainePERS on or before October 1 of the calendar year following the year of the member's death, the benefit will default to the monthly benefit option as described in 5 M.R.S. §17953(5-B) and §18553(5-B). The effective date of the monthly benefit will be no later than December 31 of the calendar year following the year of the member's death. Once a distribution is made under this Section, the beneficiary may not change the manner in which the benefits are distributed.

If the sole beneficiary is the member's spouse, the default benefit under this section will be delayed until December 31 of the year the member would have turned 72.

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STATUTORY AUTHORITY:

5 M.R.S. §§ 17103(4), 17603(9), 18205(9)

EFFECTIVE DATE:

July 26, 2010 – filing 2010-315

AMENDED:

April 17, 2019 – filing 2019-065 (*Emergency*)

June 24, 2019 – filing 2019-100

April 19, 2021 – filing 2021-084

94-411 MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

Chapter 803: PARTICIPATING LOCAL DISTRICT CONSOLIDATED RETIREMENT PLAN

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

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

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**SECTION 1. DEFINITIONS**

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

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

## SECTION 2. LOCAL DISTRICT PARTICIPATION

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

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

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

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

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

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

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

### SECTION 3. MEMBERSHIP

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

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

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

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

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

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

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

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

(2) **Non-member Service**

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

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

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

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

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

- H. **Out-of-state Service.** A member who qualifies under Section 6, subsection 5, must make contributions into the Members' Contribution Fund for the years of out-of-state service under the following terms and conditions:
- (1) Contributions are calculated on the same basis as the member would have made contributions had the service been in the State;
    - (a) The payment may not be made until the member has accumulated at least 20 years of creditable service in the Retirement System and must be made before the date any retirement benefit becomes effective for the member; and
    - (b) Interest at a rate, to be set by the Board, not to exceed regular interest by 5 or more percentage points is paid on the unpaid balance. Interest shall be computed from the end of the year when those contributions would have been made, if the service had been in the State, to the date of payment.
  - (2) **Manner of Payment.** The payment must be made to the Retirement System consistent with Chapter 406 (94-411 CMR 406) of the rules of the Board.
- I. **Refund of Contributions.** Refunds of contributions to members under The Plan are subject to 5 M.R.S. §§ 18306-A and 18307-A.
- J. **Teachers in Private, Parochial and Other Schools.** A member who qualifies under Section 6, subsection 8, must make contributions into the Members' Contribution Fund for the years of private, parochial or other school service under the following terms and conditions:
- (1) Contributions are calculated on the same basis as the member would have made contributions had the service been as a state employee or teacher in the State. The member's earnings for the years of private or parochial teaching must be assumed to have been the same as the average salary for teachers in the State as determined by the Department of Education for each of the years when the private or parochial school teaching took place.
    - (a) The payment may not be made until the member has accumulated at least 20 years of creditable service in the Retirement system as a member of the participating local district and must be made before the date any retirement benefit becomes effective for the member;
    - (b) Interest at a rate, to be set by the Board, not to exceed regular interest by 5 or more percentage points is paid on the unpaid balance. Interest shall be computed from the end of the year when those contributions would have been made, if the service had been as a state employee or teacher in the State, to the date of payment.
  - (2) **Manner of Payment.** The payment must be made to the Retirement System consistent with Chapter 406 (94-411 CMR 406) of the rules of the Board.

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

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

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

## SECTION 6. CREDITABLE SERVICE

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

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

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

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

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

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

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

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

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

## SECTION 7. REGULAR SERVICE RETIREMENT BENEFIT PLANS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## SECTION 8. SPECIAL SERVICE RETIREMENT BENEFIT PLANS

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

1. **Special Benefit Plan 1C.** Special Benefit Plan 1C may be elected by any participating local district or local district for police officers, firefighters, sheriffs, full-time deputy sheriffs, county corrections employees who are employed at a county jail and whose duties include contact with prisoners or juvenile detainees, and emergency medical services persons as defined in Title 32 M.R.S. §83, sub-§12, including but not limited to first responders, emergency medical technicians, advanced emergency medical technicians and paramedics.
  - A. **Contribution Rate.** Subject to Section ~~415~~, subsection 1, and to the rate caps under Section 9, employer and employee contributions shall be set annually by the Board based on the recommendations of the System's actuary in accordance with the following:
    - (1) The Plan's unfunded actuarial liability as of June 30, 2018, shall be paid in an actuarially sound manner and allocated between the employer and employee in a ratio approved by the Board based on the recommendation of the Participating Local District Advisory Committee;
    - (2) Any Plan unfunded actuarial liability created beginning July 1, 2018, shall be paid through employer and employee contributions allocated 58% to the employer and 42% to the employee; and
    - (3) The normal cost shall be paid through employer and employee contributions allocated 58% to the employer and 42% to the employee.
  - B. **Qualification for Benefit**
    - (1) A member qualifies for a service retirement benefit under this subsection when the member has completed 20 years of creditable service as an employee in one or more of the types of employment specified in this subsection and specified by the district as covered under this plan. If the member had creditable service under a special plan with the member's current employer before that employer's employees became members under The Plan, that creditable service is counted when determining the member's qualification for this benefit;
    - (2) A member who has accrued service credits under a regular service retirement plan before accruing service under this plan, and for whom the regular plan service credits are considered service under The Plan as provided by Section 4, subsection 1, may use those service credits toward

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

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

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

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

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

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

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

3. **Special Benefit Plan 2C.** Special Benefit Plan 2C may be elected by any participating local district or local district for police officers, firefighters, sheriffs, full-time deputy sheriffs, county corrections employees who are employed at a county jail and whose duties include contact with prisoners or juvenile detainees, emergency medical services persons as defined in Title 32 M.R.S. §83, sub-§12, including but not limited to first responders, emergency medical technicians, advanced emergency medical technicians and paramedics, and dispatchers as defined in 5 M.R.S. §18313, sub-§1. A district may also elect this plan for all of its employees.
- A. **Contribution Rate.** Subject to Section 4415, subsection 1, and to the rate caps under Section 9, employer and employee contributions shall be set annually by the Board based on the recommendations of the System's actuary in accordance with the following:
- (1) The Plan's unfunded actuarial liability as of June 30, 2018, shall be paid in an actuarially sound manner and allocated between the employer and employee in a ratio approved by the Board based on the recommendation of the Participating Local District Advisory Committee;
  - (2) Any Plan unfunded actuarial liability created beginning July 1, 2018, shall be paid through employer and employee contributions allocated 58% to the employer and 42% to the employee; and
  - (3) The normal cost shall be paid through employer and employee contributions allocated 58% to the employer and 42% to the employee.
- B. **Qualification for Benefit**
- (1) A member qualifies for a service retirement benefit under this subsection when the member has completed 25 years of creditable service as an employee in one or more of the types of employment specified in this subsection and specified by the district as covered under this plan. If the member had creditable service under a special plan with the member's current employer before that employer's employees became members under The Plan, that creditable service is counted when determining the member's qualification for this benefit; and
  - (2) A member who has accrued service credits under a regular service retirement plan before accruing service under this plan, and for whom the regular plan service credits are considered service under The Plan as provided by Section 4, subsection 1, may use those service credits toward qualifying to retire under this plan at the rate of two years of special plan service credit for each three years of regular plan service credit.
- C. **Computation of Benefit.** Subject to the requirements of Section 4, subsections 5 and 6, the total amount of the service retirement benefit for a member qualified under paragraph 2, equals 1/2 of the member's average final compensation and, subject to the limitations of subsection J, an additional 2% of the member's average final compensation for each year of creditable service not included in determining qualification under paragraph B.
- (1) If the member had creditable service under a special plan, with the member's current employer, before that employer's employees became members under

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

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

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

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

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

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

A. **Contribution Rate.** The contribution rate for members under Special Benefit Plan 3C is as set out below until the completion of 25 years of creditable service under this special benefit plan, after which the members contribute at the same rate of earnable compensation as paid by members who contribute under Regular Plan AC as set forth in Section 7, subsection 1, paragraph A. Subject to Section ~~4415~~, subsection 1, and to the rate caps under Section 9, employer and employee contributions shall be set annually by the Board based on the recommendations of the System's actuary in accordance with the following:

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

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

**B. Qualification for Benefit**

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

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

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

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

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

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

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

- A. **Contribution Rate.** The contribution rate for members under Special Benefit Plan 4C is as set out below until the completion of 25 years of creditable service under this special benefit plan, after which the members contribute at the same rate of earnable compensation as paid by members who contribute under Regular Plan AC as set forth in Section 7, subsection 1, paragraph A. Subject to Section ~~1415~~, subsection 1, and to the rate caps under Section 9, employer and employee contributions shall be set annually by the Board based on the recommendations of the System's actuary in accordance with the following:

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

- B. **Qualification for Benefit**

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

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

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

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

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

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

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

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

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

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

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

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

## SECTION 10. DISABILITY BENEFITS

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

## SECTION 11. ORDINARY DEATH BENEFITS

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

## SECTION 12. ACCIDENTAL DEATH BENEFITS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### SECTION 15. TRANSITION

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

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#### STATUTORY AUTHORITY:

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

#### EFFECTIVE DATE:

May 11, 1993

#### AMENDED:

July 20, 1993

May 6, 1995

April 1, 2001

September 28, 2002

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

**BASIS STATEMENT FOR ADOPTION JULY 14, 2022/STATEMENT OF COMMENTS:**

The proposal for rulemaking was noticed on May 18, 2022. A public hearing was held on June 9, 2022.

Under the current rule, cost-of-living adjustments (COLA) are paid to eligible retirees based on the Consumer Price Index for All Urban Consumers (CPI-U), up to a maximum of 2.5%. The CPI-U for the twelve-month period ending June 30, 2021 was 5.4%. The proposed amendment to the rule authorizes the payment of an additional 1.0% cost-of-living adjustment effective September 2021 to eligible retirees. The proposed amendments also remove obsolete language and correct cross-references.

No members of the public provided comments at the public hearing. Two individuals submitted written comments prior to the June 20, 2022 comment deadline. One individual<sup>1</sup> did not specifically address the proposals of the rule, but instead suggested that a new class of COLA recipients be established to address retirees for whom benefits are reduced by the Social Security Windfall Elimination Provision (WEP). The other individual<sup>2</sup> commented in favor of the proposed changes to the COLA provision.

The PLD Advisory Committee was provided with information about the cost-of-living adjustment provision and discussed various options to address the unusually high inflation. Committee members reached consensus that an additional 1.0% COLA should be provided to eligible retirees, in line with the additional COLA provided to eligible retirees from the State-sponsored plans. No member of the Committee raised an objection to MainePERS staff recommending these amendments to the Board of Trustees.

After considering the comments, the Board adopts the proposed changes without modification. The Board declined to establish a new class of COLA recipients as part of this rulemaking and requested that staff bring the individual's comment to the PLD Advisory Committee for future consideration.

At the Board's regular meeting held on July 14, 2022, \_\_\_\_\_ made the motion, seconded by \_\_\_\_\_ to adopt the amended rule. Voted \_\_\_\_\_.

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<sup>1</sup> Richard Foley, Gorham

<sup>2</sup> Janice Kimball, Poland

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# MAINEPERS

## BOARD OF TRUSTEES MEMORANDUM

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**TO:** BOARD MEMBERS  
**FROM:** MICHAEL J. COLLERAN, CHIEF OPERATING OFFICER & GENERAL COUNSEL  
CHIP GAVIN, CHIEF SERVICES OFFICER  
**SUBJECT:** OPERATIONS AND MEMBER SERVICES REPORT  
**DATE:** JULY 6, 2022

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

### 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 member services data points that have been provided to Trustees as part of the operations update are attached to this report. This includes information regarding Benefits Payroll, Retirement Services, Disability Services, Survivor Services, Defined Contribution Plan Services, and PLD Plan administration. Chief Services Officer Chip Gavin will begin discussion with Trustees regarding their interest and use of these data points and possible alternative or additional data and presentation formats for such information. Selected current highlights from among these service areas are below.
2. PLD COLA. Trustees are currently considering a special additional retroactive FY22 COLA for participating local district participants analogous to the statutory retroactive FY22 COLA implemented in May 2022. MainePERS is currently in planning to implement that potential special COLA, likely in August 2022, for approximately 10,000 eligible members. MainePERS also will be discussing COLA matters with the PLD Advisory Committee at that group's August meeting.
3. MAINESTART. MaineSTART in June conducted employer outreach regarding the pending statutory August expansion of MaineSTART eligibility to teachers. This initial communication was accomplished via an Employer Update. An excerpt is below. This work to expand access to and participation in MaineSTART will be continuing and ongoing.

# EmployerUpdate

for Employers of Maine Public Employees Retirement System



MainePERS

PUBLIC EMPLOYEES RETIREMENT SYSTEM

June 2022

### We Have a New Name

We are updating the name of the department to better reflect the services we provide to you. Going forward, Employer Services will now be the Employer Reporting Department of MainePERS. Our name might be changing; however, the same team will be here to work with you.

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### MainePERS Deferred Compensation Program Expansion

MaineSTART will soon be available to Public School Teachers! By joining this program, employers can provide their teachers with an opportunity to participate in another MainePERS offered retirement savings plan. MaineSTART offers tax advantaged deferred compensation and defined contribution options for your employees. These voluntary programs can help your employees save money to fund their retirement and help secure their financial future. MaineSTART offers both Traditional (pre-tax) and Roth (after-tax) accounts.



Please contact Gary Emery at (207) 512-3116 or [Gary.Emery@mainepers.org](mailto:Gary.Emery@mainepers.org) to explore adding the MaineSTART programs for your employees. Additional information is available at [www.mainestart.org](http://www.mainestart.org).

4. PARTICIPATING LOCAL DISTRICT (PLD) ACTIVITY. A noteworthy amount of activity has occurred among employers joining (or rejoining) the PLD plan or updating their membership agreement for changes effective July 1, 2022. Ten employers have recently joined or rejoined and another 18 communities have updated their participation agreements, generally to expand employee eligibility. Activity has often involved updates or changes for police or other first responder types of employees. These 28 new, rejoining or updated participation agreements constitute approximately 9 percent of all PLD employers (as of the end of FY21).

## FINANCE

1. EMPLOYER REPORTING. Timeliness of employer reporting remains consistent, with 92% of the June defined benefit payrolls uploaded on time, slightly above the fiscal year monthly average of 91.75%.
2. EMPLOYER AUDITING. A total of four reviews were finalized during the months of May and June. Staff have been redirected to support some data cleanup work and are focused on closing out audit findings from prior audits. Eighty-nine percent of all findings to date have been resolved satisfactorily.
3. CONTRIBUTIONS AND DISBURSEMENTS. Attached is a report of contributions and member disbursements for the combined defined benefit plans for the fiscal year through May with a comparison to the same period for the prior fiscal year.

## ADMINISTRATION

1. PHYSICAL SECURITY. Following the active shooter training provided to Reception staff last month, we are working with security consultant Blue-U Defense on an active shooter response plan and intend to provide additional staff training this fiscal year.

2. HUMAN RESOURCES. HUMAN RESOURCES continues to focus on recruitment. We completed four successful recruitments in June and are currently recruiting for seven positions. Staff completed introductory Diversity, Equity, and Inclusion training in June.

### **INFORMATION TECHNOLOGY**

1. EMAIL ARCHIVE. We have begun implementation our new email archival product, Mimecast, by migrating archived emails into the new system. Mimecast will permit more efficient retrieval of emails for freedom of access, litigation discovery, and business uses.
2. SECURITY. We have installed AirGap hardware and have begun configuration, which will take several weeks. AirGap allows us to retain a backup of our data that is physically isolated from the network. This increases our ability to recover quickly and safely from certain types of cyber attacks.

### **SPECIAL PROJECTS**

1. DISASTER RECOVERY. We have expanded our workspace at the disaster recovery cite in Brunswick to support recovery activities.
2. MEMBER PORTAL. We have established a cross-functional working group to assess options for implementing a member self-service portal.

### **RECOMMENDATION**

*No Board action is recommended at this time.*

## **JULY 2022 BOT MEMBER SERVICES SUPPLEMENTAL DATA**

BENEFITS PAYROLL. Monthly pension payments were made to 46,390 recipients in June, totaling \$94,406,977.68.

RETIREMENT SERVICES. One hundred four individuals received their first benefit payment in June, with the typical benefit amount being \$2,038 after 24 years of service. The count of new recipients, payment amount, and service are in line with what has been seen in recent Junes. One hundred thirty former members received a refund of their contributions in June, typically amounting to \$5,506 as the result of two years of service. The aggregate amount refunded was \$1,461,766.

DISABILITY SERVICES. Eight new disability retirement applications were received in June ay, and 13 intakes with varying levels of detail and duration were conducted.

SURVIVOR SERVICES. Seventy life insurance claims were sent to our carrier (The Hartford) in June, with a total value of \$1,345,580 in payments due to beneficiaries.

DEFINED CONTRIBUTION PLAN SERVICES. MaineSTART had 1,578 participants at the end of June, with \$54,147,040 of investment assets in the program.

**Maine Public Employees Retirement System**  
**Contributions and Disbursements - Defined Benefit Plans**  
**For the Eleven Months Ended May 31, 2022 and May 31, 2021**

	<u>Current</u>	<u>Year to Date</u>	<u>Prior Year to Date</u>
<b>Contributions</b>			
Employer Contributions <sup>(1)</sup>	\$ 147,522,235	\$ 586,666,596	\$ 455,612,609
Member Contributions	17,067,092	187,311,321	178,841,541
Member Repurchases	239,146	8,924,046	2,966,676
<b>Total Contributions</b>	<b><u>\$ 164,828,473</u></b>	<b><u>\$ 782,901,963</u></b>	<b><u>\$ 637,420,826</u></b>
<b>Member Disbursements</b>			
Benefits Payroll	\$ 98,483,721	\$ 1,030,342,378	\$ 981,308,892
Member Refunds	2,060,735	21,278,531	18,648,198
<b>Total Member Disbursements</b>	<b><u>\$ 100,544,456</u></b>	<b><u>\$ 1,051,620,909</u></b>	<b><u>\$ 999,957,090</u></b>
<b>Net</b>	<b><u>\$ 64,284,017</u></b>	<b><u>\$ ( 268,718,946 )</u></b>	<b><u>\$ ( 362,536,264 )</u></b>

<sup>(1)</sup>Employer Contributions include both normal cost and UAL contributions, and include contributions in May of 2022 to fund the increased COLA benefit for the State sponsored plans.