



MainePERS

PUBLIC EMPLOYEES RETIREMENT SYSTEM

Board of Trustees

Public Meeting Packet

April 10, 2025

MainePERS Board of Trustees
April 10, 2025
139 Capitol Street, Augusta

AGENDA

9:00 a.m. ¹	CALL TO ORDER		Brian Noyes
9:00 – 9:05 a.m.	1. <u>CONSIDERATION OF CONSENT CALENDAR</u> <ul style="list-style-type: none">• Minutes of March 13, 2024• Decision, M.E. Appeal• Consideration of Items Removed	ACTION	Brian Noyes
9:05 – 9:15 a.m.	2. <u>PRIVATE MARKETS ACTION</u> <ul style="list-style-type: none">• Executive Session pursuant to 1 M.R.S. §§ 402(3)(B), 405(6)(F) <p><i>Board moves out of executive session.</i></p> <ul style="list-style-type: none">• Risk Diversifiers: Multi-Strategy Commitment Increases:<ul style="list-style-type: none">• HBK Multi-Strategy Fund• Hudson Bay Fund• Farallon Capital Institutional Partners• King Street Capital	ACTION	Brian Noyes
9:15 – 9:25 a.m.	3. <u>INVESTMENT REVIEW</u> <ul style="list-style-type: none">• Investment Monthly Review		James Bennett Scott Lupkas
9:25 – 9:35 a.m.	4. <u>PRIVATE MARKETS REVIEW</u> <ul style="list-style-type: none">• Private Markets Activity• Co-Investment Reporting		James Bennett Scott Lupkas
9:35 – 9:40 a.m.	5. <u>FINANCE AND AUDIT COMMITTEE MEETING REPORT</u>		Shirrin Blaisdell
9:40 – 10:10 a.m.	6. <u>CEO REPORT</u> <ul style="list-style-type: none">• PAS Project Update		Dr. Rebecca M. Wyke
10:10 – 10:15 a.m.	7. <u>LEGISLATIVE UPDATE</u>		Kathy Morin Bill Brown
10:15 – 10:25 a.m.	8. <u>MEMBER SERVICES, FINANCE, AND OPERATIONS REPORT</u>		Chip Gavin Sherry Vandrell Michael Colleran

¹ All times are estimated based upon the anticipated length of each presentation, hearing, discussion, and action. The presiding officer may take agenda items out of order for more efficient or effective conduct of the meeting.

10:25 – 10:30 a.m.	9.	<u>LITIGATION UPDATE</u>	Betsy Stivers
10:30 – 10:45 a.m.		<u>BREAK</u>	
10:45 – 11:00 a.m.	10.	<u>RULEMAKING PUBLIC HEARING</u> <ul style="list-style-type: none">• Rule Chapter 104	Brian Noyes Nanette Ardry
11:00 a.m. – 12:00 p.m.	11.	<u>FIDUCIARY EDUCATION</u>	Amy McDuffee Michael Colleran Betsy Stivers
12:00 p.m.		<u>ADJOURNMENT</u>	Brian Noyes

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

Minutes

Board of Trustees
Board Meeting
March 13, 2025

MainePERS
Augusta
9:00 a.m.

The Board of Trustees met at MainePERS, 139 Capitol Street, Augusta, ME 04330 at 9:00 a.m. on March 13, 2025. Brian Noyes, Chair, presided. Other Trustees participating were: Dick Metivier, Vice Chair; Joseph Perry, State Treasurer; Greg Olson, Deputy State Treasurer; John Beliveau; Shirrin Blaisdell; Nate Burnett; Kirk Duplessis and John Kimball. Joining the Trustees were Dr. Rebecca Wyke, Chief Executive Officer; Nanette Ardry, Associate General Counsel; James Bennett, Chief Investment Officer; Sherry Vandrell, Chief Financial Officer; Chip Gavin, Chief Services Officer; Scott Lupkas, Deputy Chief Investment 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: Kathy Morin, Director of Actuarial and Legislative Affairs; Bill Brown, Director of Actuarial and Legislative Affairs; Valerie Scott, Director of Special Projects; Mitchell Pierter, Investments Senior Analyst; Stuart Cameron, Cambridge Associates; Tom Lynch and George Bumeder, Cliffwater; and William Greenwood, Albourne.

Brian Noyes called the meeting to order at 9:00 a.m. Dick Metivier, Greg Olson, and Nate Burnett participated through video remote access pursuant to 1 M.R.S. § 403-B, having been excused from in-person attendance. All other Trustees attended in-person.

CONSIDERATION OF THE CONSENT CALENDAR

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

- Minutes of February 13, 2025
- Action. Shirrin Blaisdell made the motion, seconded by John Kimball, to approve the minutes as amended. Unanimously voted in favor by seven Trustees (Beliveau, Blaisdell, Burnett, Duplessis, Kimball, Metivier, and Noyes).

PRIVATE MARKETS ACTION

Pathlight Capital Evergreen Fund

Mitchell Pierter reported that the Investment Team believes that a commitment to Pathlight Capital Evergreen Fund is unlikely to involve any investments in stocks, securities, or other obligations of fossil fuel or for-profit prison companies and recommends making a commitment to that Fund.

- Action: John Kimball made the motion, seconded by Kirk Duplessis, that the Board 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 and trade secrets contained in non-public documents. Voted unanimously by seven Trustees (Beliveau, Blaisdell, Burnett, Duplessis, Kimball, Metivier, and Noyes).

Greg Olson joined the meeting at 9:10 a.m.

Board moved out of executive session.

- **Action.** John Beliveau made a motion, seconded by Shirrin Blaisdell, that MainePERS make a commitment of up to \$300 million to Pathlight Capital Evergreen Fund and grant the Investment Team discretion as to commitment deployment, redemption, timing and tranches, 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 the documents in connection with this commitment. Unanimously voted in favor by eight Trustees (Beliveau, Blaisdell, Burnett, Duplessis, Kimball, Metivier, Noyes, and Olson).

INVESTMENT REVIEW

Investment Monthly Review

Jim Bennett reported that as of February 28, 2025, the MainePERS fund had a preliminary market value of \$20.4 billion, the preliminary return for the month was -0.1%, and the preliminary calendar year-to-date return was 1.2%.

Joe Perry joined the meeting at 9:20 a.m.

PRIVATE MARKETS REVIEW

Private Markets Activity

Mitchell Pierter reviewed the private market funds and co-investments that had closed during the past 12 months. Scott shared there is no manager meeting scheduled for March.

BOARD EDUCATION: INVESTMENT PERFORMANCE AND BENCHMARKING

Jim Bennett shared and discussed with the Trustees a presentation on investment performance and benchmarking. Jim, Stuart Cameron, and Tom Lynch answered questions from the Trustees.

RISK DIVERSIFIERS

Multi-Strategy Fund Review

Scott Lupkas presented a review of the Multi-Strategy allocations within the Risk Diversifiers asset class and answered questions from the Trustees.

MAINESTART QUARTERLY REVIEW

Chip Gavin presented the MaineSTART Quarterly Review for the quarter ending 12/31/24. Chip answered questions from the Trustees.

CEO REPORT

Trustee Confirmations

Dr. Wyke congratulated and shared Trustees Shirrin Blaisdell and John Beliveau were reappointed for another 3-year term.

Pension Administration System (PAS)

Dr. Wyke stated a tentative agreement has been negotiated with Sagitec. She shared an internal working group has been created in order to engage our employers as we develop the new PAS system. That group will communicate information and invite employers to participate in an Employer Advisory Panel.

Annual Statement of Compensation Waiver

Dr. Wyke shared requirement to file the Annual Statement of Compensation for disability recipients may be waived for good cause. Examples of good cause may be health complications, guardianship, and history of no income.

Business Continuity Program Mission Moment

Valerie Scott reviewed the Business Continuity Program (BCP) which provides the establishment, maintenance, and testing of plans for the protection of assets and business recovery. Valerie answered questions from the Trustees.

LEGISLATIVE UPDATE

Kathy Morin re-introduced Bill Brown to the Trustees. Kathy and Bill shared an update on the bills pertaining to MainePERS.

RULEMAKING UPDATE

Nanette Ardry shared a public hearing will be held in April on a proposed amendment to Rule Chapter 104, which implements statutory limitations on earnable compensation for the purposes of calculating average final compensation. She stated the Board would consider the proposal at their May meeting.

MEMBER SERVICES, FINANCE, AND OPERATIONS REPORT

Chip Gavin shared great work continues by staff on the processing of preliminary to final benefits. Dr. Wyke thanked Chip Gavin and his team for all the great work on getting the preliminary to final benefit number to members as quickly and efficiently as possible. Trustee Joe Perry thanked all involved in the entire process of finalizing benefit payments.

Sherry Vandrell stated staff continues to work on the backlog of account reconciliations. She shared the Portland Public Schools project is making significant progress.

Nanette Ardry shared IT staff is working on the business process review phase of the PAS project. She stated Senior Management provided lunch for staff on Employee Recognition

Day. Nanette stated a new contract management system has been procured for management of contracts and vendors. She reported that she and Bill Brown provided a lunch and learn regarding the Freedom of Access law, which had a great turnout.

LITIGATION UPDATE

Betsy Stivers shared no reply has been received on the motion for summary judgment in the Stoddard overpayment case. Betsy stated the trial management conference has been pushed to early May and anticipates the hearing date will be pushed to May as well. She shared a new complaint has been filed regarding the denial of producing non-public information in a FOA matter. Betsy has sent an un-redacted copy of the information to the Court for their ruling.

Nate Burnett left the meeting at 12:00 p.m.

DEI EDUCATION

- Action: John Kimball made the motion, seconded by Kirk Duplessis, that the Board enter into executive session pursuant to 1 M.R.S. §405(6)(A) to discuss self-evaluation of public officials. Unanimously voted by six Trustees (Beliveau, Blaisdell, Duplessis, Kimball, Noyes, and Perry).

Board moved out of executive session.

ADJOURNMENT

- Action. John Kimball made the motion, seconded by Shirrin Blaisdell that the March meeting adjourn. Unanimously voted by six Trustees (Beliveau, Blaisdell, Duplessis, Kimball, Noyes, and Perry).

The meeting adjourned at approximately 2:30 p.m.

4/10/25
Date Approved by the Board

Dr. Rebecca M. Wyke, Chief Executive Officer

Date Signed

MAINEPERS

BOARD OF TRUSTEES INVESTMENTS MEMORANDUM

TO: BOARD MEMBERS
FROM: JAMES BENNETT, CHIEF INVESTMENT OFFICER
SUBJECT: MONTHLY INVESTMENT REVIEW
DATE: APRIL 3, 2025

Following this memo is the Monthly Investment Review for March.

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 \$20.2 billion.
- Monthly return of -0.9%.
- Calendar year-to-date return of 0.4%.
- Fiscal year-to-date return of 4.1%.



MainePERS
PUBLIC EMPLOYEES RETIREMENT SYSTEM

Investment Review

April 10, 2025

Investment Policy Objective

Investment Objective

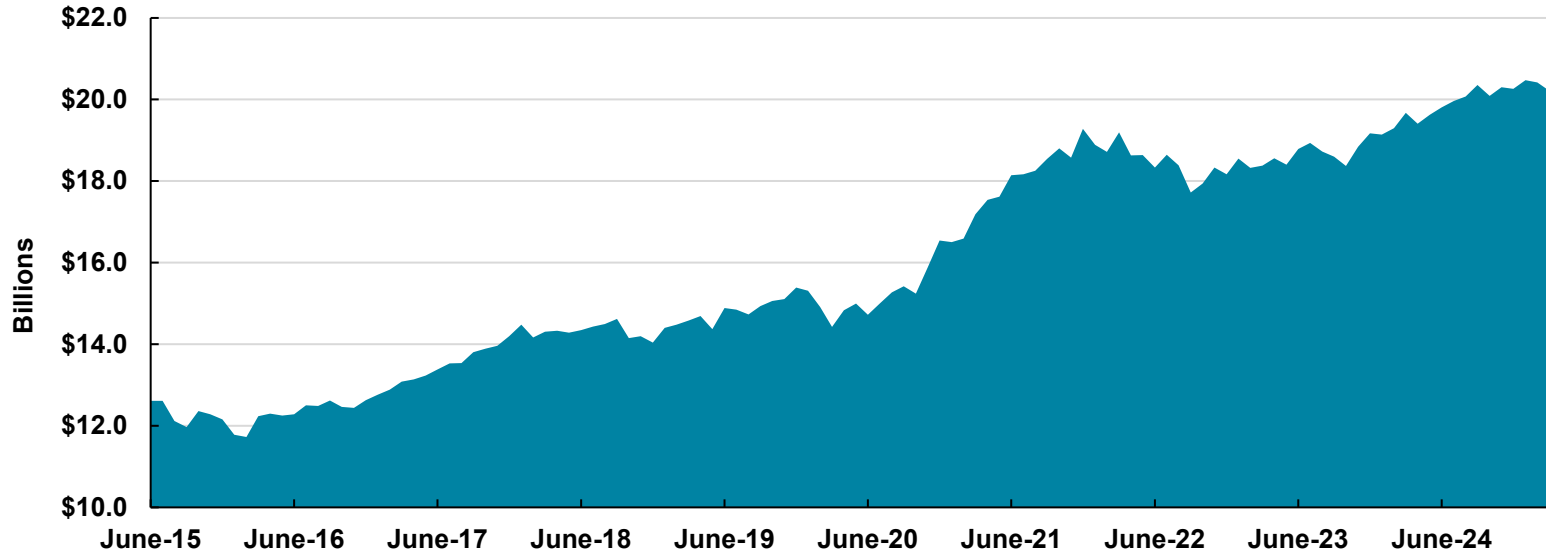
MainePERS' investment objectives balance the System's twin goals of generating investment returns (to ensure growth of the trust funds) and minimizing investment risks (loss of capital and cash flow shortfalls).

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

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

March 2025 Performance (Preliminary)

The **preliminary** fund value at the end of March is \$20.2 billion.

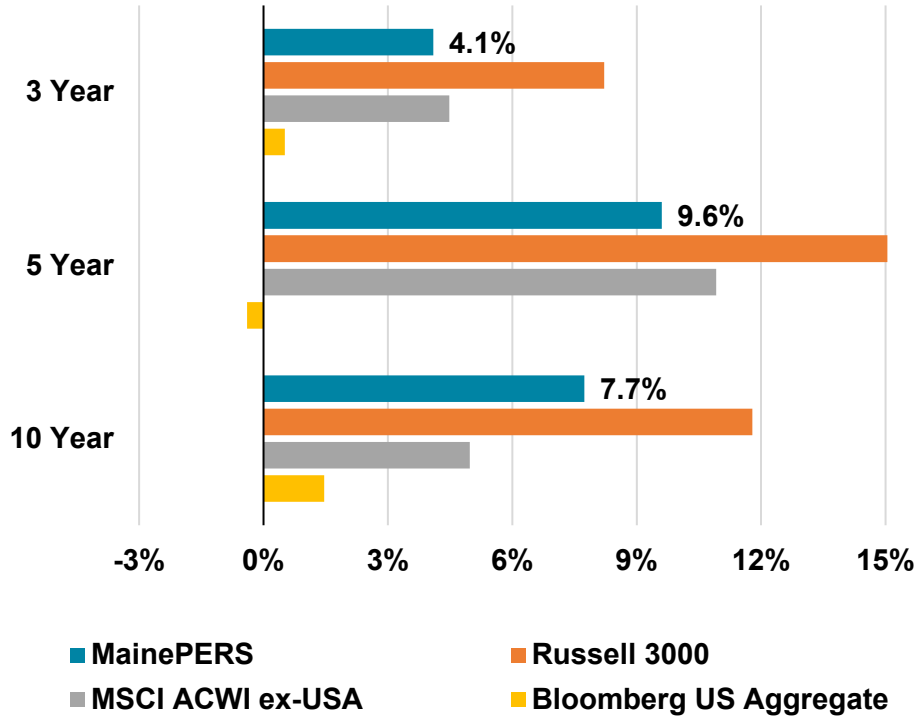


Fund and Benchmark Returns

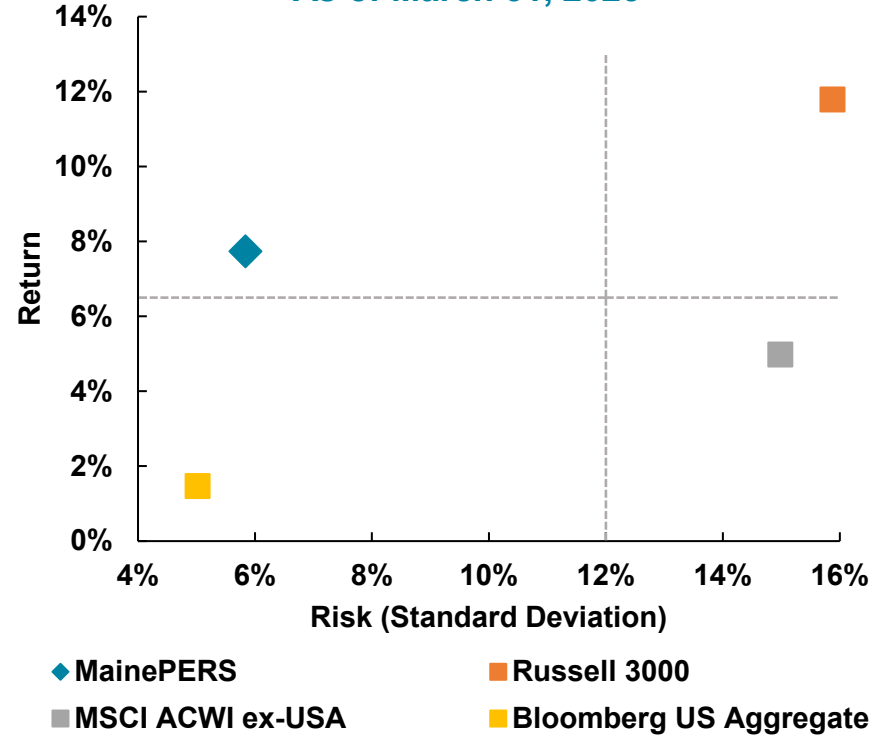
	March 2025	CYTD 2025	FYTD 2025	1 Year
MainePERS	-0.9%	0.4%	4.1%	5.4%
Russell 3000	-5.8%	-4.7%	3.9%	7.2%
MSCI ACWI ex-USA	-0.2%	5.2%	5.1%	6.1%
Bloomberg US Aggregate	0.0%	2.8%	4.8%	4.9%

Long-Term Performance & Risk

Annualized Performance
as of March 31, 2025



Ten-Year Annualized Risk & Return
As of March 31, 2025



- Fund returns have exceeded the System's discount rate over the long term
- U.S. allocations buoyed MainePERS performance over all periods
- Diversification has resulted in strong risk/return profile over trailing 10 years
 - Substantially lower risk than global equity markets

March 2025 Asset Allocation (Preliminary)

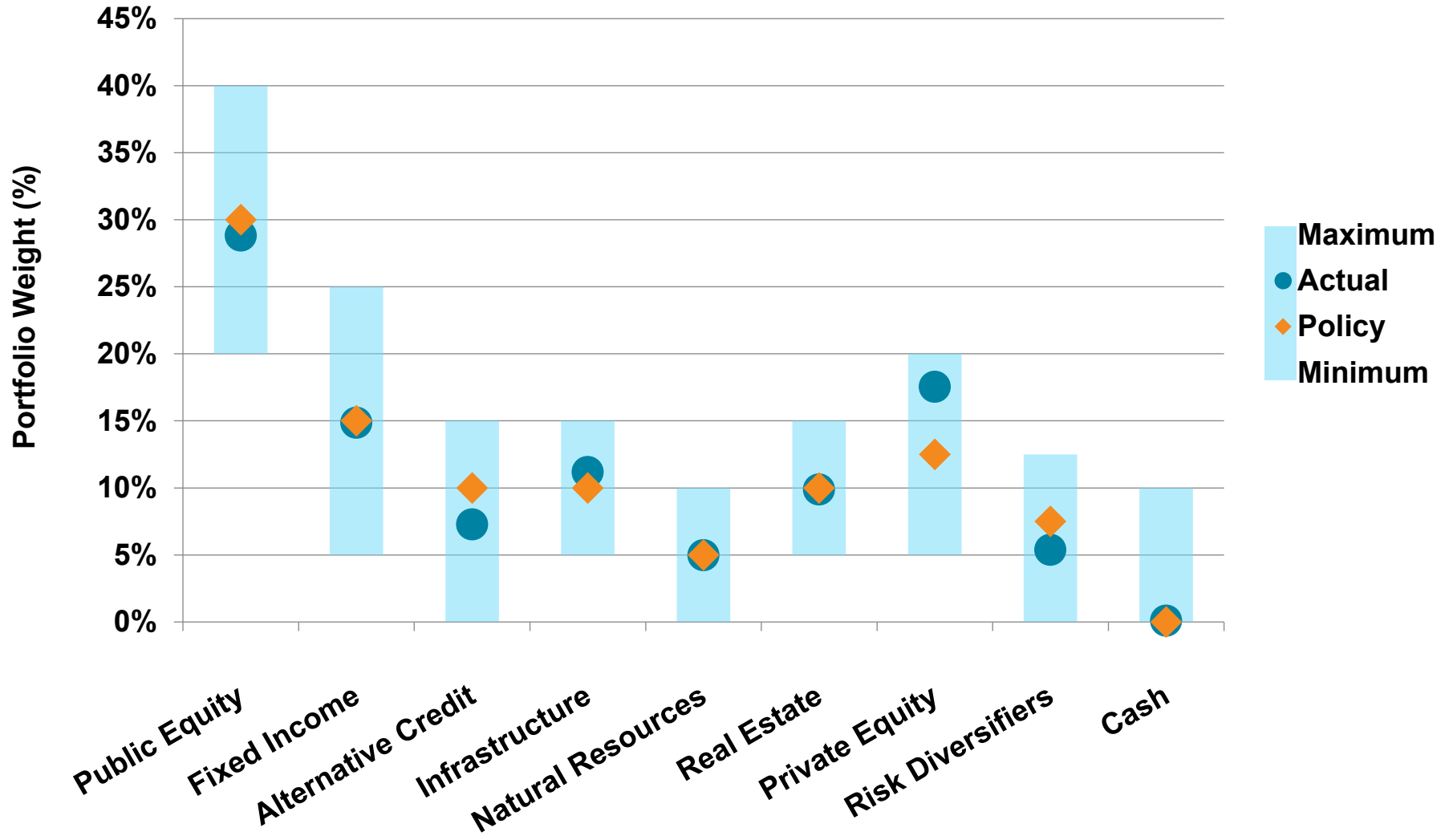
Assets (Millions)	Value	% of Fund	Policy %
MainePERS Portfolio	\$20,216	100.0%	100.0%
<i>Domestic Equity</i>	\$ 3,850	19.0%	19.7%*
<i>International Equity</i>	\$ 1,975	9.8%	10.3%*
Public Equity	\$ 5,825	28.8%	30.0%
Fixed Income	\$ 3,003	14.9%	15.0%
Alternative Credit	\$ 1,470	7.3%	10.0%
Infrastructure	\$ 2,261	11.2%	10.0%
Natural Resources	\$ 1,008	5.0%	5.0%
Private Equity	\$ 3,547	17.5%	12.5%
Real Estate	\$ 1,996	9.9%	10.0%
Risk Diversifiers	\$ 1,088	5.4%	7.5%
Cash	\$ 18	0.1%	0.0%

* Allocation between Domestic Equity and International Equity corresponds to MSCI ACWI weights.

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

Private equity remains overweight at ~17.5% of Fund value, and private markets assets in aggregate comprise 50.9% of the overall portfolio, above the 47.5% policy weight.

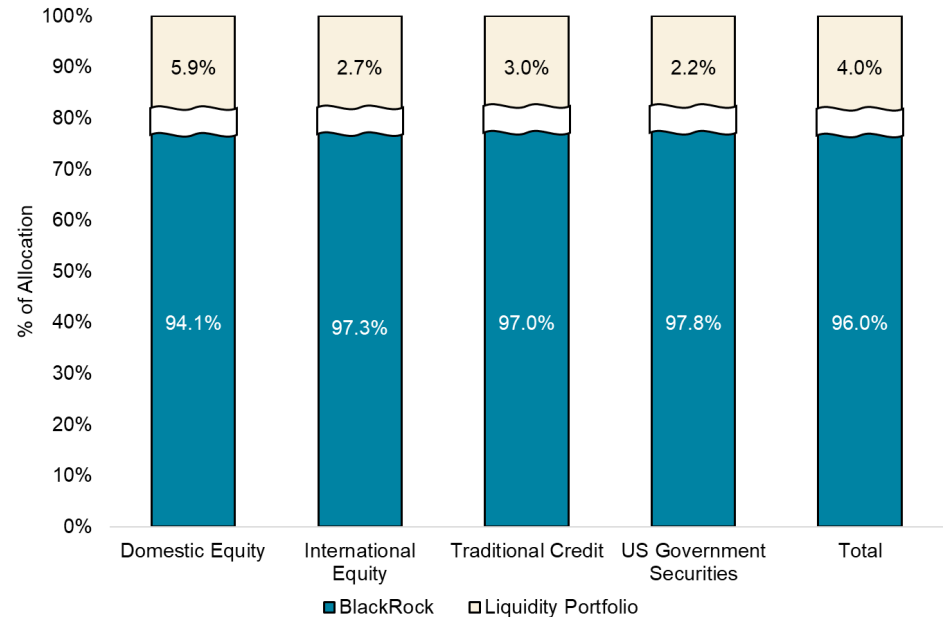
March 2025 Asset Allocation (Preliminary)



Public Securities: Liquidity Portfolio

At the end of March, 1.8% of Fund assets were invested via ETFs and futures contracts in an account managed by Parametric Associates.

The Liquidity Portfolio accounts for 4.0% of MainePERS' total exposure to public securities.



MainePERS Liquidity Portfolio	Market Value (Millions)	Exposure Type
Parametric Domestic Equity	\$226.4	Futures
Parametric International Equity	\$53.7	Futures
Parametric Traditional Credit	\$29.6	ETFs
Parametric US Government Securities	\$45.1	Futures
Total Liquidity Portfolio	\$354.8	

Derivatives and Leverage

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

- Public Equities, Public Fixed Income, and Risk Diversifiers

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

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

Investment Related Fees: March 2025

Description	FY 25	FY 24	FY 23	FY 22	FY 21
Investment Mgmt. Fees	\$97,100,537	\$131,940,081	\$135,770,817	\$130,884,088	\$120,429,567
Securities Lending Fees ¹	726,241	1,356,735	1,303,543	1,744,317	1,653,172
Consulting Fees	911,250	1,215,000	1,193,543	1,120,000	1,120,000
Broker Commissions ²	91,537	77,495	136,039	77,558	52,364
Placement Agent Fees	0	0	0	0	0
Total	\$98,829,565	\$134,589,311	\$138,403,942	\$133,825,963	\$123,255,103
Percentage of Fund ³	0.65%	0.68%	0.74%	0.73%	0.68%

1. Securities Lending Fees are through 2/28/2025
2. Actual paid commissions reported by JP Morgan
3. For FY25: Total fees projected for the full fiscal year (\$131,772,754) divided by current Fund value.
For prior FY: Total fees divided by FYE Fund value.

Securities Lending: February 2025

	Average Lendable Assets	Average Assets On Loan	Total Sec Lending Revenue	Revenue Split	MainePERS Net Income	MainePERS Net Income, FYTD
BlackRock						
Fixed Income	\$2,361,740,410	\$1,469,940,790	\$138,096	60%/40%	\$82,858	\$772,317
Total Equity	\$1,749,614,560	\$172,529,275	\$56,206	60%/40%	\$37,563	\$359,793
Total Blackrock	\$4,111,354,970	\$1,642,470,065	\$194,302		\$120,421	\$1,132,110
JP Morgan						
Domestic Equities	\$3,599,291,142	\$134,414,274	\$15,125	85%/15%	\$12,859	\$172,117
Total JP Morgan	\$3,599,291,142	\$134,414,274	\$15,125		\$12,859	\$172,117
Total	\$7,710,646,112	\$1,776,884,339	\$209,427		\$133,280	\$1,304,227
Total Annualized Securities Lending Income, FY 2025:						
				\$1,956,340 (0.01%, or 0.9 bps)		
Total Actual Securities Lending Income, FY 2024:						
				\$2,441,429 (0.01%, or 1.2 bps)		

Liquidity Schedule: March 2025

Term	Market Value	Percent of Portfolio
Liquid ¹	\$8,847m	43.8%
Semi-Liquid ²	\$2,138m	10.6%
Illiquid ³	\$9,232m	45.7%
Total	\$20,216m	100.0%

<u>Sources and Uses of Liquidity</u>		
	Last 12 Months Actual	Next 12 Months Projection
Private Markets Activity		
Capital Contributions	-\$991m	-\$780m
Distributions	\$1,585m	\$1,820m
Net Private Markets Activity	\$593m	\$1,040m
Benefit Payments	-\$460m	-\$460m
Net Cash Flows	\$133m	\$580m

¹Liquid assets includes public equities and public fixed income

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

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

MainePERS Alternative Investments Summary

<i>as of 03/31/2025</i>	# of Funds	# of GP Relationships
Alternative Credit	27	13
Infrastructure	36	11
Natural Resources	16	10
Private Equity	133	35
Real Estate	35	18
Risk Diversifiers	12	11
Total*	259	89

*GP Total may not add due to overlapping relationships

Currently, MainePERS is invested in 259 funds,
and has 89 distinct manager relationships.

MainePERS Alternative Investments Summary

(in \$millions) as of 03/31/2025	Current Market Value			Unfunded Commitment	
	Dollars	% of Fund	Policy %*	Dollars	% of Fund
Alternative Credit	\$ 1,470	7.3%	10.0%	\$ 951	4.7%
Infrastructure	\$ 2,261	11.2%	10.0%	\$ 457	2.3%
Natural Resources	\$ 1,008	5.0%	5.0%	\$ 206	1.0%
Private Equity	\$ 3,547	17.5%	12.5%	\$ 1,053	5.2%
Real Estate	\$ 1,996	9.9%	10.0%	\$ 215	1.1%
Risk Diversifiers	\$ 1,088	5.4%	7.5%	\$ 31	0.2%
Total Alternatives	\$ 11,370	56.2%	55.0%	\$ 2,914	14.4%

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

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

Note: Market values shown above are preliminary estimates. Private market asset values are based on 9/30/2024 values, adjusted for subsequent cash flows.

(in \$millions) as of 03/31/2025	Private Market Commitments by Vintage Year				3-Year Average ¹
	2022	2023	2024	2025	
Alternative Credit	\$ 550	\$ 80	\$ 175	\$ 300	\$ 268
Infrastructure	\$ 200	\$ 50	\$ 25	\$ -	\$ 92
Natural Resources	\$ 30	\$ 40	\$ -	\$ -	\$ 23
Private Equity	\$ 218	\$ 71	\$ 274	\$ -	\$ 188
Real Estate	\$ 180	\$ 50	\$ 35	\$ -	\$ 88
Total Commitments	\$ 1,178	\$ 291	\$ 509	\$ 300	\$ 659

¹3-Year Average: 2022-2024

MainePERS Private Market Investments Summary: 09/30/2024

Asset Class Summary	Commitment (A)	Amount Contributed (B)	Total Distributions (C)	Current Market Value (D)	Total Value (C+D)	Interim Net IRR
Alternative Credit	\$ 2,618,339	\$ 2,229,061	\$ 1,257,375	\$ 1,471,737	\$ 2,729,112	7.9%
Infrastructure	\$ 3,480,758	\$ 3,737,245	\$ 3,138,028	\$ 2,443,760	\$ 5,581,788	11.2%
Natural Resources	\$ 1,060,500	\$ 1,134,133	\$ 482,798	\$ 1,010,296	\$ 1,493,094	5.8%
Private Equity	\$ 5,175,845	\$ 5,138,922	\$ 4,671,874	\$ 3,765,565	\$ 8,437,439	15.0%
Real Estate	\$ 2,818,149	\$ 3,012,324	\$ 2,028,102	\$ 1,997,219	\$ 4,025,321	5.9%
Total	\$ 15,153,591	\$ 15,251,684	\$ 11,578,177	\$ 10,688,578	\$ 22,266,755	9.9%

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	\$ 311,425	40	\$ 298,285	\$ 155,028	\$ 211,080	\$ 366,108	10.4%
Infrastructure Co-Investments	\$ 219,968	11	\$ 216,118	\$ 301,105	\$ 101,600	\$ 402,706	14.5%
Natural Resources Co-Investments	\$ 32,500	2	\$ 32,770	\$ 37	\$ 57,945	\$ 57,982	12.0%
Private Equity Co-Investments	\$ 387,742	34	\$ 389,294	\$ 317,823	\$ 281,006	\$ 598,829	12.2%
Real Estate Co-Investments	\$ 74,746	6	\$ 65,804	\$ 8,740	\$ 42,260	\$ 51,000	-7.5%
Total	\$ 1,026,381	93	\$ 1,002,272	\$ 782,733	\$ 693,892	\$ 1,476,625	11.9%

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

MainePERS Private Market Investments Summary: 09/30/2024

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	\$ 22,560	\$ 12,020	\$ 34,581	17.3%
Angelo Gordon Direct Lending Fund III	\$ 100,000	7/20/2018	\$ 103,520	\$ 90,999	\$ 55,576	\$ 146,574	10.3%
Participation Agreement #1	\$ 7,500	10/11/2019	\$ 7,479	\$ 3,226	\$ 7,212	\$ 10,438	9.6%
Participation Agreement #2	\$ 5,000	10/11/2019	\$ 4,994	\$ 5,422	\$ -	\$ 5,422	8.8%
Participation Agreement #3	\$ 5,000	10/11/2019	\$ 5,000	\$ 5,700	\$ -	\$ 5,700	7.3%
Participation Agreement #4	\$ 10,000	10/18/2019	\$ 9,889	\$ 4,005	\$ 9,478	\$ 13,483	10.1%
Participation Agreement #5	\$ 5,000	12/6/2019	\$ 5,000	\$ 6,824	\$ -	\$ 6,824	9.9%
Participation Agreement #6	\$ 10,000	12/6/2019	\$ 9,991	\$ 3,895	\$ 9,583	\$ 13,479	10.2%
Participation Agreement #7	\$ 5,000	12/11/2019	\$ 5,000	\$ 2,549	\$ 4,601	\$ 7,151	9.5%
Participation Agreement #8	\$ 5,000	8/13/2020	\$ 4,866	\$ 6,689	\$ -	\$ 6,689	10.0%
Participation Agreement #9	\$ 7,500	4/9/2021	\$ 7,407	\$ 3,009	\$ 6,887	\$ 9,896	11.0%
Participation Agreement #10	\$ 10,000	4/20/2021	\$ 9,955	\$ 2,256	\$ 9,349	\$ 11,604	9.5%
Participation Agreement #11	\$ 5,000	5/5/2021	\$ 5,000	\$ 1,486	\$ 4,469	\$ 5,956	6.1%
Angelo Gordon Direct Lending Fund IV	\$ 100,000	1/24/2020	\$ 97,222	\$ 30,250	\$ 101,791	\$ 132,041	11.5%
Participation Agreement #1	\$ 5,000	10/23/2020	\$ 4,913	\$ 6,266	\$ -	\$ 6,266	9.2%
Participation Agreement #2	\$ 12,500	8/17/2021	\$ 12,295	\$ 3,777	\$ 11,930	\$ 15,707	10.4%
Participation Agreement #3	\$ 7,500	10/5/2021	\$ 7,500	\$ 7,913	\$ -	\$ 7,913	7.9%
Participation Agreement #4	\$ 5,000	12/21/2021	\$ 4,925	\$ 1,520	\$ 4,820	\$ 6,340	10.8%
Participation Agreement #5	\$ 5,000	12/21/2021	\$ 4,925	\$ 2,611	\$ 3,604	\$ 6,215	10.5%
Participation Agreement #6	\$ 5,000	1/12/2022	\$ 4,911	\$ 1,538	\$ 4,815	\$ 6,353	11.2%
Participation Agreement #7	\$ 7,500	1/12/2022	\$ 7,378	\$ 2,286	\$ 7,128	\$ 9,414	10.6%
Participation Agreement #8	\$ 12,500	6/16/2022	\$ 12,391	\$ 3,404	\$ 12,149	\$ 15,554	11.7%
Angelo Gordon Direct Lending Fund IV Annex	\$ 50,000	11/18/2021	\$ 48,677	\$ 16,498	\$ 44,670	\$ 61,168	11.3%
Angelo Gordon Direct Lending Fund V	\$ 125,000	8/3/2022	\$ 54,229	\$ 14,336	\$ 50,394	\$ 64,731	NM
Participation Agreement #1	\$ 7,500	9/1/2022	\$ 7,388	\$ 1,807	\$ 7,257	\$ 9,064	11.4%
Participation Agreement #2	\$ 12,500	10/7/2022	\$ 12,216	\$ 2,933	\$ 12,111	\$ 15,044	NM
Participation Agreement #3	\$ 10,000	10/19/2022	\$ 9,840	\$ 2,348	\$ 9,672	\$ 12,020	NM
Participation Agreement #4	\$ 10,000	10/27/2022	\$ 9,800	\$ 2,774	\$ 9,221	\$ 11,995	NM
Participation Agreement #5	\$ 10,000	2/27/2023	\$ 9,811	\$ 1,879	\$ 9,531	\$ 11,409	NM
Participation Agreement #6	\$ 5,000	10/20/2023	\$ 4,868	\$ 573	\$ 4,862	\$ 5,435	NM
Participation Agreement #7	\$ 10,000	5/22/2024	\$ 9,850	\$ 398	\$ 9,826	\$ 10,225	NM
Participation Agreement #8	\$ 10,000	6/21/2024	\$ 9,800	\$ 329	\$ 9,825	\$ 10,154	NM
Participation Agreement #9	\$ 10,000	8/6/2024	\$ 9,850	\$ 161	\$ 9,801	\$ 9,962	NM
Ares Capital Europe IV	\$ 122,000	4/30/2018	\$ 96,890	\$ 47,604	\$ 72,515	\$ 120,119	5.3%

MainePERS Private Market Investments Summary: 09/30/2024

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
Ares Capital Europe V	\$ 122,000	9/4/2020	\$ 93,641	\$ 17,809	\$ 95,758	\$ 113,567	8.9%
Ares Capital Europe VI	\$ 82,500	3/17/2023	\$ 23,444	\$ 4,986	\$ 20,708	\$ 25,694	NM
Ares Senior Direct Lending Fund II	\$ 100,000	12/10/2021	\$ 69,596	\$ 17,472	\$ 70,681	\$ 88,153	15.2%
Ares Senior Direct Lending Fund III	\$ 100,000	7/28/2023	\$ 15,002	\$ -	\$ 15,886	\$ 15,886	NM
Audax Senior Debt (MP), LLC	\$ 100,000	6/30/2017	\$ 100,000	\$ 125,900	\$ 9,119	\$ 135,019	5.3%
Brookfield Infrastructure Debt Fund III	\$ 100,000	7/15/2022	\$ 78,708	\$ 27,462	\$ 56,468	\$ 83,931	7.7%
BID III DESRI Co-Invest	\$ 8,571	4/30/2024	\$ 1,197	\$ 147	\$ 1,063	\$ 1,210	NM
Comvest Credit Partners VI	\$ 125,000	5/20/2022	\$ 118,969	\$ 55,392	\$ 77,252	\$ 132,644	12.0%
Comvest Credit Partners VII	\$ 75,000	5/1/2024	\$ 11,065	\$ -	\$ 11,054	\$ 11,054	NM
Deerpath Capital VI	\$ 75,000	9/30/2021	\$ 66,980	\$ 12,156	\$ 67,823	\$ 79,979	8.6%
Global Infrastructure Partners Spectrum	\$ 100,000	2/20/2019	\$ 112,323	\$ 64,477	\$ 60,640	\$ 125,117	7.3%
Mesa West Core Lending Fund	\$ 100,000	6/18/2013	\$ 127,612	\$ 69,432	\$ 101,077	\$ 170,509	4.4%
Blue Owl Capital Corporation	\$ 100,000	3/10/2017	\$ 116,571	\$ 177,029	\$ -	\$ 177,029	9.8%
Participation Agreement #1	\$ 5,000	5/7/2018	\$ 4,851	\$ 5,499	\$ -	\$ 5,499	12.7%
Participation Agreement #2	\$ 6,185	7/31/2018	\$ 6,196	\$ 7,745	\$ -	\$ 7,745	9.9%
Participation Agreement #3	\$ 5,000	8/7/2018	\$ 4,938	\$ 5,634	\$ -	\$ 5,634	7.9%
Participation Agreement #4	\$ 5,000	8/20/2018	\$ 4,566	\$ 5,835	\$ -	\$ 5,835	8.1%
Participation Agreement #5	\$ 5,000	12/21/2018	\$ 4,987	\$ 6,733	\$ -	\$ 6,733	7.7%
Participation Agreement #6	\$ 11,653	8/7/2020	\$ 12,917	\$ 5,315	\$ 11,275	\$ 16,591	10.8%
Participation Agreement #7	\$ 7,500	7/26/2021	\$ 6,557	\$ 7,970	\$ -	\$ 7,970	9.8%
Participation Agreement #8	\$ 12,500	6/17/2022	\$ 12,778	\$ 15,206	\$ -	\$ 15,206	12.4%
Participation Agreement #9	\$ 7,500	9/26/2022	\$ 7,388	\$ 1,871	\$ 7,147	\$ 9,018	11.6%
Blue Owl Capital Corporation III	\$ 100,000	6/19/2020	\$ 118,400	\$ 42,007	\$ 108,921	\$ 150,928	9.2%
Pathlight Capital Fund II	\$ 75,000	4/22/2021	\$ 130,980	\$ 88,186	\$ 62,216	\$ 150,402	10.9%
Participation Agreement #1	\$ 7,500	4/1/2022	\$ 7,264	\$ 3,201	\$ 6,324	\$ 9,525	13.8%
Participation Agreement #2	\$ 7,500	4/1/2022	\$ 7,406	\$ 2,294	\$ 7,139	\$ 9,433	11.5%
Pathlight Capital Fund III	\$ 75,000	6/24/2022	\$ 98,520	\$ 61,831	\$ 48,453	\$ 110,283	14.6%
Solar Capital Private Corporate Lending Fund	\$ 50,000	6/26/2019	\$ 40,188	\$ 13,164	\$ 41,826	\$ 54,990	11.9%
Solar Capital Debt Fund	\$ 50,000	6/26/2019	\$ 25,000	\$ 5,848	\$ 26,385	\$ 32,233	12.0%
SLR Private Corporate Lending Fund II	\$ 125,000	12/23/2022	\$ 12,403	\$ 460	\$ 15,625	\$ 16,085	NM
Silver Point Specialty Credit II	\$ 50,000	1/31/2020	\$ 62,775	\$ 34,084	\$ 42,289	\$ 76,373	10.5%
Tennenbaum Direct Lending VIII	\$ 100,000	11/30/2017	\$ 100,883	\$ 98,086	\$ 27,816	\$ 125,902	6.3%

MainePERS Private Market Investments Summary: 09/30/2024

Infrastructure

Fund Name	Commitment		Date of Commitment	Amount	Total	Current	Total Value	Interim Net
	(A)			Contributed	Distributions	Market Value		
				(B)	(C)	(D)	(C+D)	IRR
Alinda Infrastructure Fund II	\$ 50,000		9/17/2009	\$ 68,297	\$ 74,099	\$ 301	\$ 74,401	1.9%
ArcLight Energy V	\$ 75,000		10/28/2011	\$ 76,031	\$ 103,624	\$ -	\$ 103,624	8.0%
Shore Co-Investment Holdings II	\$ 20,000		1/30/2014	\$ 17,709	\$ 19,737	\$ -	\$ 19,737	8.4%
ArcLight Energy VI	\$ 150,000		11/25/2014	\$ 159,687	\$ 137,590	\$ 51,582	\$ 189,173	3.8%
Great River Hydro Partners	\$ 12,000		6/17/2017	\$ 10,718	\$ 45,094	\$ -	\$ 45,094	39.5%
Brookfield Infrastructure Fund II	\$ 100,000		6/28/2013	\$ 118,542	\$ 132,606	\$ 87,356	\$ 219,962	10.6%
Brookfield Infrastructure Fund III	\$ 100,000		4/15/2016	\$ 112,844	\$ 70,594	\$ 113,232	\$ 183,825	12.3%
Co-Investment #1	\$ 20,000		3/31/2017	\$ 15,954	\$ 29,538	\$ 8,240	\$ 37,777	25.4%
Carlyle Global Infrastructure Opportunity Fund	\$ 100,000		5/1/2019	\$ 99,964	\$ 24,598	\$ 108,711	\$ 133,309	12.2%
Carlyle Infrastructure Partners	\$ 50,000		11/2/2007	\$ 57,366	\$ 64,289	\$ 361	\$ 64,650	2.5%
Carlyle Power Partners II	\$ 50,000		11/19/2015	\$ 66,787	\$ 53,791	\$ 38,910	\$ 92,701	8.7%
Cube Infrastructure	\$ 45,000		4/16/2010	\$ 60,063	\$ 96,665	\$ 422	\$ 97,087	8.0%
Cube Infrastructure II	\$ 90,000		9/11/2018	\$ 80,860	\$ 5,744	\$ 83,285	\$ 89,029	2.3%
Cube Infrastructure III	\$ 90,000		8/16/2021	\$ 57,514	\$ 4,749	\$ 60,779	\$ 65,528	7.2%
EQT Infrastructure III	\$ 68,000		12/3/2016	\$ 107,182	\$ 158,963	\$ 26,813	\$ 185,776	20.3%
EQT Infrastructure IV	\$ 100,000		12/17/2018	\$ 102,180	\$ 18,103	\$ 129,644	\$ 147,747	11.3%
EQT Infrastructure V	\$ 75,000		12/8/2020	\$ 72,378	\$ 10,261	\$ 80,417	\$ 90,678	12.4%
Global Energy & Power Infrastructure Fund	\$ 50,000		6/30/2010	\$ 59,778	\$ 53,224	\$ 1,385	\$ 54,608	-2.6%
Global Energy & Power Infrastructure Fund II	\$ 100,000		10/21/2013	\$ 128,845	\$ 129,452	\$ 27,926	\$ 157,379	11.3%
Global Infrastructure Partners Sonic	\$ 35,000		7/31/2020	\$ 34,402	\$ -	\$ 19,612	\$ 19,612	-13.8%
Global Infrastructure Partners	\$ 75,000		3/31/2008	\$ 101,173	\$ 205,062	\$ 219	\$ 205,280	17.2%
Global Infrastructure Partners II	\$ 75,000		12/3/2011	\$ 109,173	\$ 168,447	\$ 22,656	\$ 191,103	15.6%
Global Infrastructure Partners III	\$ 150,000		4/15/2016	\$ 190,543	\$ 135,994	\$ 143,378	\$ 279,372	9.7%
Co-Investment #1	\$ 29,000		2/28/2017	\$ 28,218	\$ 19,345	\$ 33,427	\$ 52,772	12.3%
Co-Investment #2	\$ 25,000		8/16/2018	\$ 27,443	\$ 3,953	\$ 31,218	\$ 35,171	4.7%
Global Infrastructure Partners IV	\$ 150,000		12/21/2018	\$ 148,438	\$ 22,332	\$ 152,007	\$ 174,340	7.5%
IFM Global Infrastructure (US), L.P.	\$ 100,000		12/20/2012	\$ 144,550	\$ 208,040	\$ -	\$ 208,040	9.8%
KKR Diversified Core Infrastructure Fund	\$ 100,000		4/29/2022	\$ 107,294	\$ 7,294	\$ 110,761	\$ 118,055	6.7%
KKR Global Infrastructure Investors	\$ 75,000		9/29/2010	\$ 87,917	\$ 154,328	\$ 93	\$ 154,421	13.1%
KKR Global Infrastructure Investors II	\$ 150,000		10/24/2014	\$ 187,266	\$ 276,307	\$ 58,195	\$ 334,502	17.0%
KKR Atlanta Co-Invest	\$ 24,000		9/26/2014	\$ 21,428	\$ 28,551	\$ -	\$ 28,551	5.7%

(all dollar amounts in thousands)

MainePERS Private Market Investments Summary: 09/30/2024

Infrastructure

Fund Name	Commitment		Amount		Total	Current	Total Value	Interim Net
	(A)	Date of Commitment	(B)	Contributed	Distributions	Market Value		
				(C)	(D)	(C+D)		IRR
KKR Taurus Co-Invest II	\$ 25,000	8/15/2017	\$ 25,000	\$ 56,779	\$ 852	\$ 57,631		21.3%
KKR Byzantium Infrastructure Aggregator	\$ 15,000	10/17/2017	\$ 15,000	\$ 7,013	\$ 16,409	\$ 23,422		9.1%
KKR Global Infrastructure Investors III	\$ 100,000	3/29/2018	\$ 97,966	\$ 49,292	\$ 90,108	\$ 139,401		12.1%
Meridiam Infrastructure (SCA)	\$ 11,000	9/23/2015	\$ 21,938	\$ 14,242	\$ 29,359	\$ 43,601		9.7%
Meridiam Infrastructure (SCA) B Shares	\$ 305	9/23/2015	\$ 305	\$ 55	\$ 26,937	\$ 26,991		65.7%
Meridiam Infrastructure Europe II (SCA)	\$ 22,500	9/23/2015	\$ 36,936	\$ 19,548	\$ 39,830	\$ 59,378		8.9%
Meridiam Infrastructure Europe II B Shares	\$ 178	9/23/2015	\$ 178	\$ 9,354	\$ -	\$ 9,354		92.5%
Meridiam Infrastructure Europe III SLP	\$ 95,000	4/27/2016	\$ 78,513	\$ 19,545	\$ 81,752	\$ 101,297		7.2%
Meridiam Sustainable Infrastructure Europe IV	\$ 90,000	4/16/2021	\$ 27,608	\$ 2,171	\$ 26,963	\$ 29,134		NM
Meridiam Infrastructure N.A. II	\$ 75,000	9/28/2012	\$ 88,232	\$ 44,105	\$ 196,538	\$ 240,643		16.5%
MINA II CIP	\$ 175	6/30/2015	\$ 169	\$ 938	\$ 22,366	\$ 23,305		96.0%
Meridiam Infrastructure N.A. II	\$ 20,000	6/30/2015	\$ 18,870	\$ 7,679	\$ 47,308	\$ 54,986		20.6%
Meridiam Infrastructure N.A. III	\$ 50,000	7/12/2017	\$ 39,304	\$ 1,241	\$ 53,463	\$ 54,705		15.1%
Stonepeak Infrastructure Partners II	\$ 140,000	11/12/2015	\$ 192,576	\$ 266,657	\$ 11,609	\$ 278,266		13.0%
Stonepeak Claremont Co-Invest	\$ 25,000	5/30/2017	\$ 25,000	\$ 51,959	\$ -	\$ 51,959		17.8%
Stonepeak Spear (Co-Invest) Holdings	\$ 25,000	1/8/2018	\$ 19,648	\$ 38,368	\$ 95	\$ 38,463		11.2%
Stonepeak Infrastructure Partners III	\$ 150,000	10/13/2017	\$ 168,262	\$ 60,044	\$ 180,771	\$ 240,815		10.7%
Stonepeak Guardian (Co-Invest) Holdings	\$ 10,000	4/27/2023	\$ 10,000	\$ 769	\$ 11,359	\$ 12,128		NM
Stonepeak Infrastructure Partners IV	\$ 125,000	5/8/2020	\$ 87,279	\$ 18,032	\$ 83,179	\$ 101,211		8.6%
Stonepeak Infrastructure Partners V	\$ 25,000	6/28/2024	\$ -	\$ -	\$ -	\$ -		NM
Stonepeak Core Infrastructure Fund	\$ 100,000	8/5/2022	\$ 104,440	\$ 4,440	\$ 117,552	\$ 121,992		11.6%
Stonepeak Opportunities Fund	\$ 50,000	6/12/2023	\$ 19,477	\$ 3,422	\$ 16,358	\$ 19,780		NM

MainePERS Private Market Investments Summary: 09/30/2024

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	\$ 39,821	\$ 12,107	\$ 59,180	\$ 71,287	8.1%
ACM Permanent Crops II	\$ 35,000	5/12/2016	\$ 42,906	\$ 8,885	\$ 17,544	\$ 26,429	-11.3%
AMERRA Agri Fund III	\$ 50,000	2/11/2016	\$ 101,390	\$ 94,268	\$ 12,805	\$ 107,073	2.1%
Denham Mining Fund	\$ 35,000	6/29/2018	\$ 34,456	\$ 659	\$ 39,767	\$ 40,426	4.3%
Homestead Capital Farmland II	\$ 50,000	8/8/2016	\$ 56,713	\$ 12,142	\$ 55,381	\$ 67,523	3.7%
Homestead Capital Farmland III	\$ 30,000	10/26/2018	\$ 33,116	\$ 4,633	\$ 30,983	\$ 35,616	3.1%
Orion Mine Finance Fund II	\$ 50,000	5/25/2016	\$ 102,219	\$ 85,453	\$ 44,409	\$ 129,862	8.8%
Orion Mine Finance Co-Fund II	\$ 20,000	8/13/2018	\$ 20,233	\$ -	\$ 43,406	\$ 43,406	13.8%
Silver Creek Aggregate Reserves Fund	\$ 100,000	11/6/2018	\$ 15,554	\$ 3,692	\$ 20,192	\$ 23,884	NM
Sprott Private Resource Lending Fund III	\$ 30,000	8/31/2022	\$ 11,602	\$ 1,015	\$ 10,863	\$ 11,878	NM
Sprott Private Resource Streaming and Royalty Annex	\$ 40,000	5/17/2023	\$ 23,279	\$ 477	\$ 22,933	\$ 23,411	NM
Taurus Mining Fund	\$ 50,000	3/27/2015	\$ 41,459	\$ 47,039	\$ 3,471	\$ 50,510	7.6%
Taurus Mining Fund Annex	\$ 23,000	12/1/2016	\$ 18,397	\$ 23,562	\$ 764	\$ 24,326	17.5%
Taurus Mining Fund No. 2	\$ 75,000	4/18/2019	\$ 69,529	\$ 49,701	\$ 35,483	\$ 85,184	15.3%
Teays River Integrated Agriculture	\$ 200,000	7/1/2015	\$ 197,022	\$ 28,770	\$ 341,362	\$ 370,132	7.5%
Twin Creeks Timber	\$ 200,000	1/7/2016	\$ 203,882	\$ 98,793	\$ 138,539	\$ 237,332	3.4%
U.S. Farming Realty Trust III	\$ 100,000	7/7/2015	\$ 110,017	\$ 11,565	\$ 118,675	\$ 130,240	2.8%
Canally Coinvest Holdings	\$ 12,500	12/9/2019	\$ 12,537	\$ 37	\$ 14,539	\$ 14,576	4.6%

MainePERS Private Market Investments Summary: 09/30/2024

Private Equity

Fund Name	Commitment		Amount Contributed (B)	Total Distributions (C)	Current Market		Interim Net IRR
	(A)	Date of Commitment			Value (D)	Total Value (C+D)	
ABRY Advanced Securities Fund II	\$ 20,000	5/4/2011	\$ 20,541	\$ 29,705	\$ 249	\$ 29,953	13.0%
ABRY Advanced Securities Fund III	\$ 30,000	4/30/2014	\$ 45,323	\$ 35,888	\$ 8,779	\$ 44,668	-0.4%
ABRY Heritage Partners	\$ 10,000	5/31/2016	\$ 11,178	\$ 14,775	\$ 6,135	\$ 20,911	25.2%
ABRY Partners VII	\$ 10,000	4/29/2011	\$ 12,985	\$ 17,969	\$ 1,898	\$ 19,867	12.2%
ABRY Partners VIII	\$ 20,000	8/8/2014	\$ 24,202	\$ 29,841	\$ 3,904	\$ 33,745	9.7%
ABRY Senior Equity IV	\$ 10,000	12/7/2012	\$ 10,853	\$ 17,114	\$ 874	\$ 17,988	14.5%
ABRY Senior Equity V	\$ 12,050	1/19/2017	\$ 13,135	\$ 7,647	\$ 11,919	\$ 19,566	12.3%
Advent International GPE VII	\$ 30,000	6/29/2012	\$ 34,811	\$ 54,885	\$ 3,322	\$ 58,207	13.2%
Advent International GPE VIII	\$ 50,000	2/5/2016	\$ 58,274	\$ 68,450	\$ 44,578	\$ 113,028	16.6%
Advent International GPE IX	\$ 50,000	5/9/2019	\$ 46,753	\$ 9,247	\$ 66,715	\$ 75,963	16.8%
GPE IX TKE Co-Investment	\$ 24,000	3/30/2020	\$ 21,243	\$ -	\$ 38,751	\$ 38,751	15.4%
Advent International GPE X	\$ 45,000	4/28/2022	\$ 21,043	\$ -	\$ 26,074	\$ 26,074	NM
AI Co-Investment I-A	\$ 7,500	3/2/2023	\$ 7,443	\$ -	\$ 9,498	\$ 9,498	NM
Advent Latin America PE Fund VI	\$ 20,000	10/17/2014	\$ 20,272	\$ 18,950	\$ 15,869	\$ 34,819	13.3%
Affinity Asia Pacific Fund IV	\$ 60,000	2/28/2013	\$ 67,171	\$ 79,800	\$ 42,542	\$ 122,341	16.3%
Affinity Asia Pacific Fund V	\$ 40,000	12/11/2017	\$ 28,162	\$ 7,083	\$ 29,285	\$ 36,368	10.2%
Bain Capital Ventures 2021	\$ 25,000	10/28/2020	\$ 21,250	\$ 1	\$ 22,181	\$ 22,182	1.7%
Bain Capital Ventures 2022	\$ 25,000	6/10/2022	\$ 7,438	\$ 0	\$ 9,488	\$ 9,488	NM
Bain Capital Venture Coinvestment Fund III	\$ 15,000	4/1/2021	\$ 15,750	\$ 825	\$ 15,060	\$ 15,885	0.4%
Bain Capital Venture Coinvestment Fund IV	\$ 15,000	6/10/2022	\$ 2,925	\$ -	\$ 3,412	\$ 3,412	NM
Berkshire Fund VIII	\$ 15,000	7/20/2011	\$ 16,993	\$ 33,908	\$ 4,091	\$ 37,999	16.6%
Berkshire Fund IX	\$ 50,000	3/18/2016	\$ 58,808	\$ 39,424	\$ 57,769	\$ 97,193	14.4%
Blackstone Capital Partners VI	\$ 30,000	6/30/2010	\$ 38,479	\$ 57,480	\$ 7,161	\$ 64,641	12.2%
Blackstone Capital Partners VII	\$ 54,000	3/27/2015	\$ 63,455	\$ 53,245	\$ 47,644	\$ 100,890	12.7%
Carlyle Asia Partners III	\$ 15,000	12/31/2009	\$ 20,694	\$ 31,227	\$ -	\$ 31,227	12.6%
Carlyle Asia Partners IV	\$ 60,000	6/3/2014	\$ 88,909	\$ 130,130	\$ 12,118	\$ 142,248	13.1%
Carlyle Asia Partners V	\$ 45,000	10/30/2017	\$ 47,600	\$ 15,284	\$ 43,239	\$ 58,523	9.9%
Centerbridge Capital Partners III	\$ 30,000	10/24/2014	\$ 48,746	\$ 51,369	\$ 24,798	\$ 76,166	16.1%
CB Blizzard Co-Invest	\$ 15,684	9/11/2019	\$ 15,684	\$ 10,053	\$ 1,779	\$ 11,832	-20.2%
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	\$ 5,410	\$ 7,275	\$ 35	\$ 7,309	12.0%
Charterhouse Capital Partners X	\$ 67,000	5/13/2015	\$ 63,099	\$ 81,611	\$ 36,509	\$ 118,120	20.4%

(all dollar amounts in thousands)

MainePERS Private Market Investments Summary: 09/30/2024

Private Equity

Fund Name	Commitment		Amount Contributed (B)	Total Distributions (C)	Current Market		Interim Net IRR
	(A)	Date of Commitment			Value (D)	Total Value (C+D)	
Charterhouse Acrostone	\$ 12,000	8/24/2018	\$ 13,254	\$ 21,268	\$ -	\$ 21,268	16.9%
Charterhouse Capital Partners XI	\$ 45,000	4/23/2021	\$ 26,911	\$ 2,685	\$ 29,621	\$ 32,306	18.6%
CVC Capital Partners VI	\$ 67,000	7/12/2013	\$ 105,187	\$ 129,539	\$ 58,933	\$ 188,472	16.2%
CVC Capital Partners VII	\$ 48,000	5/9/2017	\$ 80,940	\$ 71,144	\$ 56,779	\$ 127,923	20.7%
CVC Capital Partners VIII	\$ 44,000	6/11/2020	\$ 66,308	\$ 31,203	\$ 40,615	\$ 71,818	8.3%
CVC Capital Partners IX	\$ 44,000	6/29/2023	\$ 470	\$ 470	\$ (350)	\$ 120	NM
CVC Capital Partners Pachelbel (A) SCSp	\$ 6,966	6/14/2024	\$ 6,435	\$ -	\$ 7,634	\$ 7,634	NM
EnCap Energy Capital VIII	\$ 30,000	1/31/2011	\$ 34,203	\$ 24,454	\$ 10,868	\$ 35,323	0.6%
EnCap Energy Capital Fund VIII Co-Investors	\$ 16,238	12/8/2011	\$ 16,523	\$ 6,533	\$ 5,991	\$ 12,524	-3.5%
EnCap Energy Capital Fund IX	\$ 30,000	12/19/2012	\$ 36,110	\$ 47,214	\$ 6,575	\$ 53,789	10.8%
EnCap Energy Capital Fund X	\$ 40,000	3/5/2015	\$ 46,428	\$ 61,973	\$ 29,064	\$ 91,036	16.4%
EnCap Energy Capital Fund XI	\$ 40,000	5/31/2017	\$ 43,068	\$ 28,396	\$ 48,131	\$ 76,528	21.4%
EnCap Flatrock Midstream Fund III	\$ 20,000	4/9/2014	\$ 25,316	\$ 25,050	\$ 10,077	\$ 35,127	9.8%
EnCap Flatrock Midstream Fund IV	\$ 22,000	11/17/2017	\$ 20,491	\$ 11,585	\$ 13,638	\$ 25,222	8.0%
General Catalyst X - Early Venture	\$ 19,565	3/26/2020	\$ 19,174	\$ -	\$ 29,255	\$ 29,255	12.8%
General Catalyst X - Endurance	\$ 22,826	3/26/2020	\$ 22,859	\$ 1,431	\$ 24,249	\$ 25,680	3.3%
General Catalyst X - Growth Venture	\$ 32,609	3/26/2020	\$ 32,120	\$ -	\$ 40,064	\$ 40,064	6.3%
General Catalyst XI - Creation	\$ 8,823	10/29/2021	\$ 7,588	\$ -	\$ 7,757	\$ 7,757	1.8%
General Catalyst XI - Endurance	\$ 29,412	10/29/2021	\$ 26,524	\$ -	\$ 26,603	\$ 26,603	0.2%
General Catalyst XI - Ignition	\$ 11,765	10/29/2021	\$ 9,175	\$ -	\$ 9,254	\$ 9,254	0.4%
General Catalyst XII - Creation	\$ 6,250	1/26/2024	\$ 2,139	\$ -	\$ 2,729	\$ 2,729	NM
General Catalyst XII - Endurance	\$ 9,375	1/26/2024	\$ 1,136	\$ -	\$ 1,093	\$ 1,093	NM
General Catalyst XII - Health Assurance	\$ 3,125	1/26/2024	\$ 313	\$ -	\$ 255	\$ 255	NM
General Catalyst XII - Ignition	\$ 6,250	1/26/2024	\$ 1,232	\$ -	\$ 1,134	\$ 1,134	NM
GTCR Fund X	\$ 30,000	1/28/2011	\$ 31,766	\$ 64,646	\$ -	\$ 64,646	21.4%
GTCR Fund XI	\$ 35,000	11/15/2013	\$ 35,162	\$ 85,389	\$ 26,826	\$ 112,216	31.6%
GTCR Fund XII	\$ 50,000	9/29/2017	\$ 52,960	\$ 33,192	\$ 62,982	\$ 96,174	21.6%
Co-Investment #1	\$ 5,238	4/26/2019	\$ 4,556	\$ -	\$ 12,314	\$ 12,314	20.2%
Co-Investment #2	\$ 5,997	11/1/2019	\$ 5,977	\$ 10,962	\$ 2,295	\$ 13,257	42.1%
GTCR XIII	\$ 50,000	10/27/2020	\$ 36,713	\$ 5,556	\$ 42,994	\$ 48,550	19.2%
GTCR XIV	\$ 50,000	12/16/2022	\$ 0	\$ -	\$ 527	\$ 527	NM
H.I.G. Bayside Loan Fund II	\$ 25,000	5/28/2010	\$ 23,985	\$ 32,321	\$ 160	\$ 32,480	7.1%

(all dollar amounts in thousands)

MainePERS Private Market Investments Summary: 09/30/2024

Private Equity

Fund Name	Commitment		Amount Contributed (B)	Total Distributions (C)	Current Market		Interim Net IRR
	(A)	Date of Commitment			Value (D)	Total Value (C+D)	
H.I.G. Bayside Loan Ops Fund III (Europe)	\$ 30,000	7/27/2012	\$ 26,707	\$ 31,070	\$ 3,374	\$ 34,444	7.0%
H.I.G. Brazil & Latin America Partners	\$ 60,000	7/1/2015	\$ 68,644	\$ 28,755	\$ 66,332	\$ 95,087	8.8%
H.I.G. Capital Partners V	\$ 15,000	2/28/2013	\$ 21,697	\$ 34,188	\$ 8,251	\$ 42,439	22.8%
H.I.G. Europe Capital Partners II	\$ 22,500	7/1/2013	\$ 25,952	\$ 24,556	\$ 12,309	\$ 36,864	10.4%
H.I.G. Growth Buyouts & Equity Fund II	\$ 17,500	6/30/2011	\$ 26,028	\$ 37,820	\$ 6,501	\$ 44,321	13.7%
H.I.G. Growth Buyouts & Equity Fund III	\$ 35,000	9/13/2018	\$ 24,675	\$ 2,501	\$ 24,353	\$ 26,854	4.8%
H.I.G. Middle Market LBO Fund II	\$ 40,000	2/7/2014	\$ 49,774	\$ 69,764	\$ 22,861	\$ 92,625	25.4%
Co-Investment #1	\$ 9,000	10/12/2017	\$ 9,000	\$ -	\$ 0	\$ 0	-82.1%
Co-Investment #2	\$ 686	6/19/2020	\$ 686	\$ -	\$ 1,077	\$ 1,077	11.1%
Co-Investment #3	\$ 1,000	6/1/2021	\$ 1,079	\$ -	\$ 0	\$ 0	-92.8%
H.I.G. Middle Market LBO Fund III	\$ 40,000	7/23/2019	\$ 37,089	\$ 2,021	\$ 43,789	\$ 45,810	9.8%
Hellman & Friedman Capital Partners VII	\$ 30,000	6/19/2009	\$ 45,189	\$ 111,116	\$ 2,684	\$ 113,800	24.6%
Hellman & Friedman Capital Partners VIII	\$ 45,000	9/24/2014	\$ 49,416	\$ 33,026	\$ 51,315	\$ 84,340	11.7%
Hellman & Friedman Capital Partners IX	\$ 45,000	9/28/2018	\$ 47,215	\$ 6,351	\$ 66,652	\$ 73,003	13.3%
Hellman & Friedman Capital Partners X	\$ 45,000	5/10/2021	\$ 34,924	\$ 3,260	\$ 39,100	\$ 42,360	8.8%
Inflexion Buyout Fund IV	\$ 27,000	9/30/2014	\$ 38,206	\$ 51,187	\$ 13,770	\$ 64,957	14.6%
Inflexion Partnership Capital Fund I	\$ 17,000	9/30/2014	\$ 26,071	\$ 40,821	\$ 8,075	\$ 48,895	22.2%
Inflexion Supplemental Fund IV	\$ 10,000	5/31/2016	\$ 15,548	\$ 23,332	\$ 7,103	\$ 30,435	23.0%
Kelso Investment Associates VIII	\$ 3,000	1/6/2011	\$ 3,044	\$ 4,358	\$ 10	\$ 4,368	7.9%
Kelso Investment Associates IX	\$ 60,000	11/5/2014	\$ 70,347	\$ 88,010	\$ 33,890	\$ 121,901	18.6%
KIA IX (Hammer) Investor	\$ 25,000	8/12/2016	\$ 25,492	\$ 69,544	\$ -	\$ 69,544	21.4%
Kelso Investment Associates X	\$ 45,000	3/16/2018	\$ 50,556	\$ 20,564	\$ 70,528	\$ 91,092	23.0%
Kelso Investment Associates XI	\$ 45,000	12/22/2021	\$ 19,143	\$ 1,924	\$ 20,932	\$ 22,856	NM
Kelso XI Heights Co-Investment	\$ 12,000	8/19/2022	\$ 10,025	\$ -	\$ 10,041	\$ 10,041	0.1%
KKR North American Fund XI	\$ 60,000	2/7/2012	\$ 101,578	\$ 168,091	\$ 21,908	\$ 189,999	19.0%
KKR North America Fund XI (Platinum)	\$ 8,003	2/26/2016	\$ 8,040	\$ 2,313	\$ 1,247	\$ 3,559	-17.1%
KKR Element Co-Invest	\$ 10,000	8/29/2016	\$ 10,050	\$ 24,030	\$ -	\$ 24,030	23.5%
KKR Americas XII	\$ 60,000	3/3/2016	\$ 66,691	\$ 51,192	\$ 78,569	\$ 129,760	20.1%
KKR Sigma Aggregator	\$ 15,000	6/22/2018	\$ 15,000	\$ -	\$ 24,341	\$ 24,341	8.0%
KKR Enterprise Co-Invest	\$ 15,000	10/11/2018	\$ 15,000	\$ -	\$ -	\$ -	-100.0%
KKR Enterprise Co-Invest AIV A	\$ 8,936	11/8/2019	\$ 8,936	\$ 7,908	\$ 195	\$ 8,103	-10.5%
KKR North America XIII	\$ 40,000	6/25/2021	\$ 28,452	\$ 421	\$ 32,160	\$ 32,581	10.4%

(all dollar amounts in thousands)

MainePERS Private Market Investments Summary: 09/30/2024

Private Equity

Fund Name	Commitment		Amount Contributed (B)	Total Distributions (C)	Current Market		Interim Net IRR
	(A)	Date of Commitment			Value (D)	Total Value (C+D)	
KKR Special Situations Fund	\$ 60,000	12/19/2012	\$ 118,957	\$ 103,368	\$ 3,437	\$ 106,804	-3.9%
KKR Special Situations Fund II	\$ 60,000	12/19/2014	\$ 98,284	\$ 80,208	\$ 16,853	\$ 97,061	-0.5%
Long Ridge Equity Partners IV	\$ 15,000	6/26/2023	\$ -	\$ -	\$ -	\$ -	NM
Metwest Enhanced TALF Strategy Fund L. P.	\$ 75,000	7/31/2009	\$ 53,350	\$ 67,405	\$ -	\$ 67,405	10.2%
Oaktree Opportunities VIII	\$ 30,000	12/9/2009	\$ 30,000	\$ 43,920	\$ 53	\$ 43,973	9.1%
ONCAP IV	\$ 15,000	11/8/2016	\$ 17,260	\$ 7,774	\$ 17,927	\$ 25,701	11.4%
Onex Partners III	\$ 10,000	1/6/2011	\$ 11,217	\$ 17,199	\$ 1,858	\$ 19,058	13.1%
Onex Partners IV	\$ 60,000	11/22/2013	\$ 65,780	\$ 63,624	\$ 29,419	\$ 93,043	7.4%
Co-Investment #1	\$ 10,000	2/27/2017	\$ 10,471	\$ 1,235	\$ 1,843	\$ 3,078	-19.3%
Onex Partners V	\$ 45,000	7/11/2017	\$ 42,659	\$ 7,980	\$ 51,863	\$ 59,842	12.6%
Paine & Partners Capital Fund IV	\$ 60,000	12/18/2014	\$ 58,443	\$ 29,302	\$ 49,023	\$ 78,325	6.2%
Wawona Co-Investment Fund I	\$ 15,000	3/31/2017	\$ 15,023	\$ -	\$ (3)	\$ (3)	-100.0%
Lyons Magnus Co-Investment Fund I	\$ 15,000	11/8/2017	\$ 15,016	\$ -	\$ 23,612	\$ 23,612	6.8%
PSP Maverick Co-Invest	\$ 7,238	9/12/2019	\$ 7,264	\$ -	\$ 476	\$ 476	-41.8%
PSP AH&N Co-Investment Fund	\$ 23,895	11/27/2019	\$ 21,361	\$ -	\$ 35,382	\$ 35,382	13.3%
Paine Schwartz Food Chain Fund V	\$ 45,000	8/3/2018	\$ 49,690	\$ 23,888	\$ 44,766	\$ 68,654	16.9%
SNFL Co-Investment Fund	\$ 5,000	10/11/2019	\$ 5,024	\$ 5,524	\$ 5,685	\$ 11,208	20.3%
Rhone Partners V	\$ 56,000	3/12/2015	\$ 77,228	\$ 68,641	\$ 75,163	\$ 143,804	16.9%
Riverside Capital Appreciation Fund VI	\$ 60,000	7/3/2013	\$ 64,286	\$ 79,867	\$ 19,595	\$ 99,461	11.3%
RCAF VI CIV XXXII	\$ 12,399	10/21/2015	\$ 12,687	\$ 35,268	\$ -	\$ 35,268	19.9%
Riverside Micro-Cap Fund III	\$ 35,000	6/30/2014	\$ 51,608	\$ 194,767	\$ 30,967	\$ 225,734	35.2%
Riverside Micro-Cap Fund IV	\$ 60,000	10/23/2015	\$ 55,659	\$ 5,112	\$ 87,888	\$ 93,000	7.9%
Riverside Micro-Cap Fund IV-B	\$ 20,000	8/9/2019	\$ 24,474	\$ 5,583	\$ 34,183	\$ 39,766	15.0%
Riverside Micro-Cap Fund V	\$ 40,000	8/21/2018	\$ 40,674	\$ 3,345	\$ 57,586	\$ 60,932	13.6%
Riverside Micro-Cap Fund VI	\$ 45,000	8/26/2021	\$ 19,297	\$ 263	\$ 19,110	\$ 19,373	NM
Shoreview Capital Partners III	\$ 24,000	7/24/2013	\$ 25,947	\$ 39,739	\$ 14,891	\$ 54,630	17.2%
Shoreview Capital Partners IV	\$ 30,000	6/3/2019	\$ 19,686	\$ 6,047	\$ 32,798	\$ 38,845	45.8%
Shoreview Capital Partners V	\$ 25,000	9/13/2024	\$ -	\$ -	\$ -	\$ -	NM
Sovereign Capital IV	\$ 46,500	7/7/2014	\$ 41,052	\$ 28,794	\$ 33,265	\$ 62,059	9.6%
Summit Partners Credit II	\$ 60,000	10/25/2013	\$ 91,474	\$ 88,635	\$ 10,890	\$ 99,525	3.3%
Summit Europe Growth Equity III	\$ 22,000	3/18/2020	\$ 21,350	\$ 5,075	\$ 22,717	\$ 27,791	13.6%
Summit Europe Growth Equity IV	\$ 22,000	2/10/2023	\$ 0	\$ -	\$ (220)	\$ (220)	NM

(all dollar amounts in thousands)

MainePERS Private Market Investments Summary: 09/30/2024

Private Equity

Fund Name	Commitment		Amount Contributed (B)	Total Distributions (C)	Current Market		Interim Net IRR
	(A)	Date of Commitment			Value (D)	Total Value (C+D)	
Summit Growth Equity VIII	\$ 25,000	5/27/2011	\$ 34,275	\$ 69,195	\$ 5,803	\$ 74,999	25.7%
Co-Investment #1	\$ 16,000	6/3/2015	\$ 16,000	\$ 38,735	\$ 24,327	\$ 63,062	31.3%
Summit Growth Equity IX	\$ 60,000	8/26/2015	\$ 85,417	\$ 96,552	\$ 79,869	\$ 176,422	26.2%
Co-Investment #1	\$ 15,000	11/29/2016	\$ 14,895	\$ 41,743	\$ -	\$ 41,743	159.6%
Summit Partners Co-Invest (Ironman)	\$ 16,020	4/20/2018	\$ 16,024	\$ -	\$ 16,053	\$ 16,053	0.0%
Summit Partners Co-Invest (Giants-B)	\$ 15,292	10/22/2019	\$ 15,292	\$ 42,588	\$ 4,874	\$ 47,462	79.3%
Summit Growth Equity X	\$ 60,000	2/26/2019	\$ 62,176	\$ 18,454	\$ 69,618	\$ 88,072	14.6%
Summit Partners Co-Invest (Lions)	\$ 7,534	10/14/2020	\$ 7,534	\$ 119	\$ 14,415	\$ 14,534	18.7%
Summit Partners Co-Invest (Indigo)	\$ 10,000	12/11/2020	\$ 11,436	\$ -	\$ 11,421	\$ 11,421	0.0%
Summit Growth Equity XI	\$ 45,000	10/1/2021	\$ 15,033	\$ 183	\$ 16,470	\$ 16,653	NM
Summit Venture Capital III	\$ 13,150	5/27/2011	\$ 18,044	\$ 32,899	\$ 3,209	\$ 36,109	17.5%
Summit Venture Capital IV	\$ 40,000	8/26/2015	\$ 52,460	\$ 52,823	\$ 77,838	\$ 130,661	36.3%
Summit Venture Capital V	\$ 45,000	6/16/2020	\$ 33,066	\$ 2,771	\$ 32,760	\$ 35,531	3.7%
Summit Partners Co-Invest (CS)	\$ 13,753	10/22/2021	\$ 13,798	\$ -	\$ 12,966	\$ 12,966	-2.3%
Technology Crossover Ventures VIII	\$ 60,000	5/8/2013	\$ 56,269	\$ 86,399	\$ 41,450	\$ 127,850	12.3%
Technology Crossover Ventures IX	\$ 60,000	2/19/2016	\$ 51,835	\$ 69,470	\$ 37,752	\$ 107,222	18.7%
TCV Sports	\$ 8,000	9/25/2018	\$ 8,000	\$ -	\$ 10,497	\$ 10,497	4.6%
Technology Crossover Ventures X	\$ 45,000	8/31/2018	\$ 38,003	\$ 17,169	\$ 69,573	\$ 86,742	23.0%
Technology Crossover Ventures XI	\$ 45,000	10/2/2020	\$ 35,669	\$ -	\$ 36,114	\$ 36,114	0.6%
Technology Impact Fund	\$ 40,000	12/18/2017	\$ 38,706	\$ 24,707	\$ 89,875	\$ 114,582	36.4%
Technology Impact Fund II	\$ 40,000	4/13/2021	\$ 16,346	\$ 342	\$ 17,615	\$ 17,957	NM
Technology Impact Growth Fund	\$ 40,000	11/26/2018	\$ 50,666	\$ 26,676	\$ 34,650	\$ 61,327	7.3%
Technology Impact Growth Fund II	\$ 40,000	8/6/2021	\$ 18,394	\$ 1	\$ 15,758	\$ 15,759	NM
TIGF II Direct Strategies LLC - Series 3	\$ 5,000	7/14/2023	\$ 5,044	\$ -	\$ 4,997	\$ 4,997	NM
Tenex Capital Partners IV	\$ 50,000	7/2/2024	\$ 0	\$ -	\$ (680)	\$ (680)	NM
Thoma Bravo Fund XI	\$ 50,000	5/1/2014	\$ 79,267	\$ 172,814	\$ 40,951	\$ 213,765	26.3%
Thoma Bravo Fund XII	\$ 60,000	4/27/2016	\$ 78,447	\$ 80,943	\$ 76,649	\$ 157,593	16.1%
Thoma Bravo Fund XIII	\$ 45,000	12/7/2018	\$ 60,997	\$ 46,096	\$ 66,592	\$ 112,688	24.6%
Thoma Bravo Special Opportunities Fund II	\$ 15,000	3/27/2015	\$ 18,113	\$ 21,091	\$ 19,021	\$ 40,112	16.1%
Thoma Bravo Discover Fund IV	\$ 45,000	7/1/2022	\$ 25,731	\$ -	\$ 32,611	\$ 32,611	19.1%
Thoma Bravo Discover Fund V	\$ 50,000	5/31/2024	\$ -	\$ -	\$ -	\$ -	NM
Tillridge Global Agribusiness Partners II	\$ 50,000	10/21/2016	\$ 33,668	\$ 4,807	\$ 25,369	\$ 30,176	-3.1%

(all dollar amounts in thousands)

MainePERS Private Market Investments Summary: 09/30/2024

Private Equity

Fund Name	Commitment		Amount Contributed (B)	Total Distributions (C)	Current Market		Interim Net IRR
	(A)	Date of Commitment			Value (D)	Total Value (C+D)	
Water Street Healthcare Partners III	\$ 25,000	7/25/2012	\$ 30,619	\$ 78,721	\$ 10,218	\$ 88,939	35.1%
Water Street Healthcare Partners IV	\$ 33,000	9/15/2017	\$ 36,745	\$ 12,753	\$ 54,355	\$ 67,107	18.4%
Water Street Healthcare Partners V	\$ 43,000	4/15/2022	\$ 15,053	\$ -	\$ 13,173	\$ 13,173	NM
Wayzata Opportunities Fund III	\$ 30,000	9/11/2012	\$ 14,718	\$ 14,990	\$ 870	\$ 15,860	1.5%
Wynnchurch Capital Partners IV	\$ 40,000	10/23/2014	\$ 38,806	\$ 54,384	\$ 52,733	\$ 107,117	25.3%
Wynnchurch Capital Partners V	\$ 40,000	1/15/2020	\$ 36,938	\$ 1,406	\$ 45,245	\$ 46,651	11.8%

MainePERS Private Market Investments Summary: 09/30/2024

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	\$ 47,682	\$ 8,010	\$ 46,741	\$ 54,751	5.4%
Angelo Gordon Realty Fund XI	\$ 50,000	3/31/2022	\$ 15,853	\$ 157	\$ 15,425	\$ 15,583	NM
Bain Capital Real Estate II	\$ 50,000	3/5/2021	\$ 35,372	\$ 3,221	\$ 33,304	\$ 36,525	1.9%
Bain Capital Real Estate III	\$ 35,000	12/18/2023	\$ 10,687	\$ 881	\$ 8,553	\$ 9,434	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	\$ 47,575	\$ 367,750	\$ 415,324	3.1%
Blackstone Real Estate Partners VII	\$ 75,000	2/26/2012	\$ 106,854	\$ 157,371	\$ 10,414	\$ 167,785	14.4%
Blackstone Real Estate Partners VIII	\$ 50,000	3/27/2015	\$ 64,935	\$ 68,688	\$ 33,046	\$ 101,734	13.6%
Blackstone Real Estate Partners IX	\$ 40,000	12/21/2018	\$ 45,957	\$ 17,180	\$ 43,847	\$ 61,027	12.5%
Barings Asia Real Estate II	\$ 50,000	7/31/2018	\$ 38,239	\$ 2,506	\$ 30,475	\$ 32,981	-6.0%
EQT Real Estate II	\$ 55,000	4/26/2019	\$ 38,519	\$ 6,768	\$ 38,186	\$ 44,954	6.8%
EQT Real Estate Rock Co-Investment	\$ 11,000	8/10/2020	\$ 9,384	\$ -	\$ 11,158	\$ 11,158	5.2%
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	\$ 96,922	\$ 59,249	\$ 118,595	\$ 177,843	7.2%
HSRE-Coyote Maine PERS Core Co-Investment	\$ 20,000	12/4/2020	\$ 16,083	\$ 2,344	\$ 11,009	\$ 13,352	-5.7%
High Street Real Estate Fund IV, L.P.	\$ 25,000	8/23/2013	\$ 24,717	\$ 34,157	\$ -	\$ 34,157	14.7%
High Street Real Estate Fund V	\$ 25,000	7/24/2015	\$ 24,925	\$ 36,176	\$ -	\$ 36,176	13.2%
High Street Real Estate Fund VI	\$ 25,000	3/22/2019	\$ 25,000	\$ 8,203	\$ 36,595	\$ 44,798	17.7%
HSREF VI Elgin Co-Invest	\$ 10,000	4/9/2021	\$ 10,000	\$ 2,236	\$ 15,051	\$ 17,287	18.8%
High Street Real Estate Fund VII	\$ 35,000	8/16/2021	\$ 35,000	\$ 1,057	\$ 42,526	\$ 43,584	11.0%
High Street Real Estate VII Venture	\$ 15,000	3/17/2023	\$ 15,000	\$ 279	\$ 20,120	\$ 20,399	NM
High Street Logistics Value Fund I	\$ 35,000	4/17/2024	\$ 36,192	\$ 4,987	\$ 29,298	\$ 34,284	NM
High Street VF I Co-Invest	\$ 7,470	8/28/2024	\$ 5,043	\$ -	\$ 5,043	\$ 5,043	NM
Hines US Property Partners	\$ 200,000	9/9/2021	\$ 217,352	\$ 17,781	\$ 202,720	\$ 220,501	1.1%
Invesco Real Estate Asia IV	\$ 30,000	3/25/2020	\$ 26,079	\$ 19,396	\$ 9,008	\$ 28,404	8.4%
Invesco US Income Fund	\$ 195,000	7/17/2014	\$ 244,507	\$ 85,784	\$ 292,983	\$ 378,768	7.9%
IPI Data Center Partners I	\$ 30,000	12/15/2017	\$ 38,841	\$ 28,145	\$ 31,666	\$ 59,811	14.2%
IPI Data Center Partners II	\$ 25,000	12/20/2019	\$ 24,535	\$ 1,619	\$ 30,682	\$ 32,301	14.5%
JPMCB Strategic Property Fund	\$ 130,000	11/15/2005	\$ 186,941	\$ 297,519	\$ -	\$ 297,519	5.8%
KKR Real Estate Partners Europe I	\$ 50,000	12/2/2015	\$ 54,208	\$ 56,040	\$ 14,878	\$ 70,918	9.3%
KKR Real Estate Partners Europe II	\$ 25,000	12/23/2019	\$ 24,548	\$ 6,411	\$ 18,891	\$ 25,302	1.7%
KKR Real Estate Partners Americas I	\$ 50,000	12/20/2013	\$ 50,173	\$ 60,761	\$ 491	\$ 61,253	10.5%
KKR Real Estate Partners Americas II	\$ 50,000	6/2/2016	\$ 62,340	\$ 74,890	\$ 9,566	\$ 84,456	18.6%

MainePERS Private Market Investments Summary: 09/30/2024

Real Estate

Fund Name	Commitment (A)	Date of Commitment	Amount Contributed (B)	Total Distributions (C)	Current Market Value (D)	Total Value (C+D)	Interim Net IRR
Northbridge-Strategic Fund II	\$ 30,000	2/8/2019	\$ 30,000	\$ 7,624	\$ 49,743	\$ 57,367	13.0%
Prima Mortgage Investment Trust, LLC	\$ 75,000	7/29/2011	\$ 97,490	\$ 131,918	\$ -	\$ 131,918	3.8%
Principal Life Insurance Company U.S. Property	\$ 60,000	5/20/2005	\$ 60,000	\$ 125,410	\$ -	\$ 125,410	6.2%
PRISA	\$ 90,000	6/30/2005	\$ 139,622	\$ 222,450	\$ -	\$ 222,450	5.3%
Rubenstein Properties Fund III	\$ 30,000	10/23/2015	\$ 30,606	\$ 627	\$ 5,172	\$ 5,799	-27.0%
LCC Co-Investor B	\$ 15,000	10/18/2019	\$ 15,000	\$ -	\$ -	\$ -	-100.0%
Rubenstein Properties Fund IV	\$ 25,000	4/16/2019	\$ 8,286	\$ 56	\$ 382	\$ 438	NM
Prudential Senior Housing Fund V	\$ 50,000	3/17/2015	\$ 41,333	\$ 5,723	\$ 36,950	\$ 42,673	0.5%
Smart Markets Fund, L.P.	\$ 195,000	6/17/2013	\$ 236,837	\$ 83,978	\$ 291,935	\$ 375,914	7.4%
Stonelake Opportunity Partners VII	\$ 40,000	6/30/2022	\$ 16,000	\$ -	\$ 14,375	\$ 14,375	NM
Walton Street Real Estate Fund VII	\$ 50,000	5/9/2012	\$ 44,187	\$ 54,586	\$ 5,247	\$ 59,833	8.5%
Walton Street Real Estate Fund VIII	\$ 50,000	10/23/2015	\$ 43,732	\$ 39,090	\$ 20,322	\$ 59,413	8.7%
Co-Investment #1	\$ 10,000	9/27/2017	\$ 10,293	\$ 4,160	\$ -	\$ 4,160	-60.0%
Westbrook Real Estate Fund IX	\$ 15,000	6/30/2014	\$ 17,464	\$ 17,500	\$ 1,475	\$ 18,976	3.3%
Westbrook Real Estate Fund X	\$ 50,000	1/15/2015	\$ 51,769	\$ 42,649	\$ 11,595	\$ 54,244	2.2%
Westbrook Real Estate Fund XI	\$ 40,000	1/31/2019	\$ 44,043	\$ 17,449	\$ 32,132	\$ 49,581	10.7%

MainePERS Private Market Investments Summary: 9/30/2024

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

MAINEPERS

BOARD OF TRUSTEES MEMORANDUM

TO: BOARD MEMBERS
FROM: DR. REBECCA M. WYKE, CEO
SUBJECT: CEO REPORT
DATE: APRIL 2, 2025

Fiduciary Duty Education

Amy McDuffee, of Mosaic Governance Advisors, will be with us at the April Board meeting to conduct annual fiduciary duty education. Chief Operating Officer and General Counsel Mike Colleran and Assistant Attorney General Betsy Stivers will join her in offering part of this session.

Fiscal Year 2026 Budget

A draft of the proposed FY2026 Administrative and Investment Operations Budgets will be presented to the Finance and Audit Committee at their meeting on April 10th for their review and comment. All Trustees are welcome to attend the meeting which begins at 8am prior to the Board of Trustees meeting. The FY2026 Budgets will be presented to the full Board for consideration at the June meeting.

Pension Administration System (PAS)

On March 24, 2025, MainePERS signed a contract with Sagitec Solutions, LLC to implement their Neospin system. The contract has an effective date of April 14, 2025, and we are already working to share information and develop schedules. Congratulations to our negotiating team of Mike Colleran, Chip Gavin, Nanette Ardry, and Joy Childs. I greatly appreciate the Board's support of this project. The PAS system will modernize our core pension operations, improve efficiencies, and position MainePERS to deliver better service to our members, retirees, beneficiaries and employers.

During the April 10th Board Meeting, I will present an update on the PAS project, including an updated project budget.



MainePERS
PUBLIC EMPLOYEES RETIREMENT SYSTEM

PAS Update

Board of Trustees
April 10, 2025

Dr. Rebecca M. Wyke, Chief Executive Officer

New PAS System

- ▶ MainePERS current PAS is at end of life and in need of replacement
- ▶ A new PAS also offers several advantages:
 - ▶ Increased accuracy and efficiency through process automation
 - ▶ Knowledge transfer, with complex rules embedded in platform
 - ▶ Convenient user access to data and streamlined workflows
 - ▶ Improved data integrity and security, operational resiliency, and reduction of risk
 - ▶ Enhanced access and service for members and employers
 - ▶ Comprehensive communications and reporting tools
- ▶ A new PAS is integral to achieving the goals of the Strategic Plan

5-Year Strategic Plan

The new PAS is integral to achieving the goals of the Strategic Plan:

Goal III: Security and Integrity of our Information Systems

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

Goal IV: Cultivation of a Member-centric Organization

- ▶ Develop a comprehensive member education, communications, and service model that supports planning for retirement security
- ▶ Improve processes to promote timely and accurate service by ensuring the integrity of the data, streamlining and automating workflow processes, and reducing processing times

Goal V: Development of Stakeholder Relations

- ▶ Develop a comprehensive employer, education, communications, and service model and partner with employers and third-party payroll vendors to streamline processing and improve reporting

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

- ▶ Support and empower staff in the performance of their work

Phase IV: KPIs

- ▶ **Scope**

Determining and documenting the list of specific project goals, deliverables, tasks, costs, and deadlines.

- ▶ **Resources**

Determining and resourcing sufficient internal (staff) and external (consultants) resources to support the project and maintain current operations.

- ▶ **Budget**

Determining and allocating sufficient funding to meet contract and resource needs.

Challenges/Risks

- ▶ Data quality & migration
- ▶ Plan complexities
- ▶ Manual or automated workarounds
- ▶ Limited subject matter experts (SME) on staff and some pending retirement
- ▶ Maintaining current operations and addressing member request backlogs & employer account reconciliations
- ▶ Project duration
- ▶ Readiness of the organizational culture for change

Best Practices Planning for PAS Development

- ▶ Budget for change management
- ▶ Ensure contract reflects full scope of work
- ▶ Prepare in advance for data migration
- ▶ Staff up and do it early to free up subject matter experts to focus on the project
- ▶ Exercise good change management practices, educate and engage staff and communicate often
 - ▶ Discuss why a new PAS system is needed
 - ▶ Envision the future state
 - ▶ Build buy-in and engagement early
- ▶ Educate, engage and communicate with external stakeholders

Staffing & Change Management Plans

Goals:

- ▶ Improve our ability to meet current member and employer needs
 - ▶ Continue to address backlog of member requests
 - ▶ Continue to reconcile employer accounts
- ▶ Retain knowledgeable and experienced staff for the duration of the project
- ▶ Enhance organizational capacity for successful PAS system development and deployment

Project Update

- ▶ Increased staff for Member Services (7 FTE) & Employer Reporting (5 FTE)
- ▶ Project Staff hired:
 - ▶ Project Manager
 - ▶ Technical Writer
 - ▶ 2 Business Analysts
- ▶ Staff work to date includes:
 - ▶ Developing a project charter
 - ▶ Developing a roles and responsibilities matrix
 - ▶ Engaging in business process reviews
 - ▶ Engaging employers
 - ▶ Data cleansing
- ▶ Contract signed with Sagitec Solutions, LLC on March 24, 2025
- ▶ Effective date of contract is April 14, 2025

Sagitec Costs

	Sagitec Neospin Costs	Linea “Medium” Estimate
Capital cost	\$25.6m	\$24.5m
10 year amortization	\$2.56m	\$2.45m
Annual infrastructure & licensing	\$1.24m	\$0.7m
Annual maintenance & support	\$0.81m	\$0.7m
Year 1 - Total Cost*	\$4.61m	\$3.85m

** these costs are estimated to begin in FY2029.*

Overall Project Costs

Costs:

Capital Cost	\$2.56m	<i>annual, 10-year depreciation beginning in FY29</i>
Annual Cost	\$2.05m	<i>annual, ongoing costs beginning in FY29</i>
Change Management*	\$2.89m	<i>estimated total cost over the life of the project ending in FY29</i>

Costs by Fiscal Year:

(in millions)

FY25	FY26	FY27	FY28	FY29	FY30
\$0.43	\$0.87	\$0.66	\$0.56	\$4.97	\$4.61

**project staff costs are estimated to be \$141k higher than originally projected over the life of the project due to the timing of the project start. There is no change to the estimated consulting costs, however, costs related to data cleansing and conversion are not yet known.*

Budget Capacity

- ▶ Size of trust fund sufficient to support budget
 - ▶ Average fund administrative expenses = 17 BP* all plans
 - ▶ FY24 FNP is \$20.9b; 17 BP = \$35.5m
 - ▶ FY29 Additional Capital & Annual Costs = \$4.61m

**NCPERS 2025 Public Retirement Systems Study:
Trends in Fiscal, Operational, and Business Practices*

Comparators

FY 2024	MainePERS	Comparators		Neighbor
		Ohio SERS	Michigan MERS	NHRS
Fund Size - FNP FY23	\$20.9b	\$19.5b	\$16.1b	\$12.3b
Members & Annuitants	116,200	241,706	76,821	92,100
Admin staff/member ratio	1 to 848	1 to 1422	1 to 596	1 to 1335
Administrative Staff	137	170	129	69
Administrative Expense	\$18.7m	\$33.4m	\$24.7m	\$11.3m
- Personal Services	\$11.9m	\$21.4m	\$20.0m	\$9.3m
17 BP - Admin Expense	\$35.5m	\$33.2m	\$27.4m	\$21.0m
% of budget capacity	53%	101%	90%	54%

- *Comparators provided by Hudepohl & Associates*
- *Data from 2024 NASRA Roll Call and 2024 ACFR for all except Michigan MERS (2023 ACFR)*
- *Note: MainePERS FY29 Additional Capital & Annual Costs are \$4.61m*

MAINEPERS

BOARD OF TRUSTEES LEGISLATIVE MEMORANDUM

TO: BOARD MEMBERS
FROM: BILL BROWN, DIRECTOR, ACTUARIAL AND LEGISLATIVE AFFAIRS
SUBJECT: LEGISLATIVE UPDATE
DATE: APRIL 2, 2025

The First Regular Session of the 132nd Legislature convened on December 4, 2024 and adjourned on March 21, 2025. The First Special Session of the 132nd Legislature convened on March 25, 2025. We will review proposed bills as they are printed and will bring to you bills that either could directly impact the System or are likely of interest.

Updates from prior reports are shown italicized and underlined.

POLICY REFERENCE

[Board Policy 3.1 – Reporting](#)

[Board Policy 3.2 – Legislation](#)

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

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

COMMITTEE OF JURISDICTION

The Labor Committee remains the legislative committee of jurisdiction that will hear pension-related bills. The makeup of the Committee includes seven returning members with the remaining members new to either the Committee or the Legislature as first time legislators.

BILLS SUBMITTED BY LEGISLATORS

The deadline for submission of bills by legislators was January 10, 2025. The list of submitted bills has been released by titles only. In addition to those bills that have been printed and are discussed below, bills have been submitted that include the following topics:

- A. Investment/divestment;
- B. Cost-of-living adjustments;
- C. Special plan coverage;
- D. Disability retirement program;
- E. Military service credit purchase;
- F. Freedom of Access Act; and
- G. Contribution rates.

PRINTED BILLS

The following bills have been printed:

L.D. 89 – CHAPTER 201 RULEMAKING

This bill provides for legislative review of the provisionally adopted Board Rule Chapter 201, Employer Reporting and Payments. A public hearing was held on January 21, and a copy of the System's testimony as well as testimony submitted by the public is included with this memo. A work session was held on February 26, at which the bill was voted majority ought to pass. The bill was reconsidered on March 5, and voted majority ought to pass as amended, with the amendment removing the emergency preamble. The bill will next be considered by the full legislature.

L.D. 137 – SPECIAL PLAN FOR MEDICAL EXAMINER OFFICE EMPLOYEES

This bill would allow certain employees in the Office of the Chief Medical Examiner who are currently included in the regular plan to be covered instead by the 1998 Special Plan, effective October 1, 2025. This cost of this plan change, which would impact twelve members, is estimated to be approximately \$483,300 in increased liabilities, which would have to be funded when the change is made, and an increase in normal costs, since the normal cost of the new plan is higher than the current plan by which these employees are covered. There would also be an increase in the member contribution rate for those impacted by the plan change. A public hearing was held on February 12, and a work session has not yet been scheduled.

L.D. 152 – RESPONSE TO FREEDOM OF ACCESS REQUESTS

This bill amends the current response time for requests for public records from “a reasonable time” under current law, to 30 days after the request is made. A public hearing was held on February 5. A work session has not yet been scheduled.

L.D. 210 – FY 2026-2027 BIENNIAL BUDGET

This bill is the proposed biennial budget. It includes required funding for normal costs and unfunded liability costs for the State-sponsored plans. It also includes required funding for retired teacher group life insurance and the pay-as-you go Governor’s Retirement Plan. Public hearings and report backs on the proposed budget are concluded. Work sessions are ongoing.

L.D. 240 – PLD DEFERRED BENEFITS

This bill would permit a member who meets eligibility requirements to retire from the State/Teacher plan and who has service in the participating local district (PLD) plan with a different normal retirement age to elect to defer the receipt of the PLD benefits that would otherwise be subject to an early retirement reduction until reaching the normal retirement age for that portion of benefits. The bill has been enacted and chaptered as PL 2025, Ch. 12.

A copy of this chaptered law is included with this memo.

L.D. 462 – MILITARY SERVICE PURCHASES

This bill expands the periods of military service that eligible members may purchase at a subsidized rate. A public hearing was held on March 5. A work session was held on March, 12, at which the bill was voted unanimously ought to pass as amended to include the \$2,600,000 fiscal note. The bill will next be considered by the full legislature.

L.D. 579 – EXPAND 1998 SPECIAL PLAN – MENTAL HEALTH WORKERS

This bill would allow certain employees in the Department of Health and Human Services who are currently included in the regular plan to be covered instead by the 1998 Special Plan. A public hearing was held on March 12, and a copy of the System’s testimony is included with this memo. A work session has not yet been scheduled.

L.D. 609 – FY2026-2027 PART 1 BUDGET

This bill provides baseline appropriations for the continued operation of state government. It includes required funding for normal costs and unfunded liability costs for the State-sponsored plans. It also includes required funding for retired teacher group life insurance. It does not contain

required increases in funding for the pay-as-you-go Governor's Retirement Plan. Funding of those benefits are included in L.D. 210. The bill has been enacted and chaptered as PL 2025. Ch. 2.

L.D. 794 – EXPAND 1998 SPECIAL PLAN – JUDICIAL MARSHALS

This bill would allow judicial marshals who are currently included in the regular plan to be covered instead by the 1998 Special Plan. A public hearing was held on March 12, and a copy of the System's testimony is included with this memo. A work session has not yet been scheduled.

L.D. 900 – COST-OF-LIVING ADJUSTMENTS- COLA BASE AND COLA CAP

This bill proposes that effective July 1, 2026 the COLA Base increase to \$40,000 and the COLA cap increase to 4%. As drafted, the cap increase would apply only to the fiscal year 2026-27 COLA increase, which would be paid in September 2026. The bill also proposes that effective July 1, 2028, the COLA Base increase to \$50,000 and the COLA cap increase to 5%. A public hearing was held on March 26, and a copy of the System's testimony is included with this memo. A work session has been scheduled for April 2.

A copy of this bill is included with this memo.

L.D. 1003 – ESTABLISH THE RETIREMENT IMPROVEMENT FUND

This bill would establishes a nonlapsing fund to accumulate a portion of year-end unappropriated General Fund surpluses for the purpose of increasing the COLA Base. When it is determined that the fund contains sufficient funds to increase the COLA Base by at least \$500, the State Controller would transfer the funds necessary to do so to MainePERS. A public hearing was held on March 26, and the System's testimony is included with this memo. A work session has been scheduled for April 1.

A copy of this bill is included with this memo.

L.D. 1021 – COST-OF-LIVING ADJUSTMENTS- COLA BASE

This bill would remove the COLA Base for certain retired law enforcement and state employee positions once the retiree reaches age 65. As drafted the bill lists specific positions that would be impacted. The sponsor stated an intention to provide this treatment for "all state law enforcement officers age 65 or older." A public hearing was held on March 26, and a copy of the System's testimony is included with this memo. A work session has been scheduled for April 2.

A copy of this bill is included with this memo.

L.D. 1025 – SERVICE CREDIT PURCHASE- FEDERAL SERVICE

This bill would allow members of the State/Teacher Plan to purchase up to 5 years of federal employment service credit at the actuarial rate. The sponsor submitted the bill on behalf of a constituent employed by a PLD and has requested that the bill be amended to allow PLD Plan members the opportunity to benefit. A public hearing was held on March 26, and a copy of the System's testimony is included with this memo. A work session has been scheduled for April 2.

A copy of this bill is included with this memo.

L.D. 1040 – COST-OF-LIVING-ADJUSTMENTS- COLA BASE

This bill would increase the COLA cap to \$40,000 for members who retired on or before June 30, 2011. This cost of this plan change is estimated to be approximately \$118.2 million in increased liabilities, which would have to be funded when the change is made. A public hearing was held on March 26, and a copy of the System's testimony is included with this memo. A work session has been scheduled for April 2.

A copy of this bill is included with this memo.

L.D. 1124 – JUDICIAL BRANCH EMPLOYEE RETIREMENT

This bill would allow employees of the judicial branch to retire before age 65 with 35 years of continuous creditable service. The State would pay 100% of the individual health insurance premium for members so retired until the member qualifies for Medicare. Any savings from these provisions would be directed to increase salaries of judicial branch employees. A public hearing has been scheduled for April 4.

A copy of this bill is included with this memo.

L.D. 1218 – SERVICE CREDIT PORTABILITY - COUNTY COMMISSIONERS

This bill would allow members serving as County Commissioners with past service as Legislators to transfer their PLD service as county commissioners to the Legislative Retirement Program. A public hearing has not yet been scheduled for this bill.

A copy of this bill is included with this memo.

L.D. 1236 – EXPAND “25 AND OUT” PLAN - BANGOR INTERNATIONAL AIRPORT FIREFIGHTERS

This bill would allow certain employees of the Department of Defense, Veterans and Emergency Management, employed as firefighters at Bangor International Airport, currently covered by the 1998 Special Plan to be covered instead by the “25 and Out” Plan. A public hearing has not yet been scheduled for this bill.

A copy of this bill is included with this memo.

L.D. 1383 – DIVESTMENT – HUMAN RIGHTS

This bill would prohibit the State from investing public funds, including any public funds managed by MainePERS, or entering into procurement contracts with companies, entities, persons or financial institutions involved with entities determined by international bodies to have committed certain violations of human rights. A public hearing has not yet been scheduled for this bill.

A copy of this bill is included with this memo.

REPORTS

The following reports have been prepared for the Legislature during recent months:

BOARD AND PLD ADVISORY COMMITTEE ACTIVITY

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

ESG POLICY

The System is required to report information annually to the Legislature regarding its environmental, social and governance investment policy. This report must disclose commonly available environmental performance metrics on the environmental effects of the board’s investment. This report was filed on December 20, 2024, and a copy was previously provided to the Board.

DIVESTMENT

The System is required to report information to the Legislature regarding the progress of divestment from fossil fuels and the implementation of the divestment law enacted in 2021 (PL c. 231). This report was filed on December 20, 2024, and a copy was previously provided to the Board.

PROCUREMENT

The System is required to report information annually to the Legislature regarding procurement, contributions, and changes to certain policies and procedures. This report was submitted on January 28, and a copy was previously provided to the Board.

MILITARY SUBSIDY REPORT

The System is required to report information annually to the Legislature regarding military service credit purchase requests received from certain categories of members. This report was submitted on February 7, and a copy was previously provided to the Board.

ANNUAL REPORT TO THE LEGISLATURE

The System is required to submit an annual report to the Legislature, including specific information set out in statute. This report was submitted on February 25, and a copy was previously provided to the Board.

PRESENTATIONS

The System presented an orientation briefing to the Labor Committee on January 21. The presentation was well received, and a copy was previously provided to the Board.

STATE OF MAINE

—
IN THE YEAR OF OUR LORD
TWO THOUSAND TWENTY-FIVE

—
S.P. 106 - L.D. 240

**An Act to Create Consistency in Retirement Service Benefits Deferral Under
the Maine Public Employees Retirement System**

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

Sec. 1. 5 MRSA §17851, sub-§17, as corrected by RR 2023, c. 1, Pt. A, §3, is amended to read:

17. Member eligible to retire from plans with different normal retirement ages. A member who meets eligibility requirements to retire from plans with different normal retirement ages may retire and, at the election of the member, defer initiation of service retirement benefits from any plan in which the benefits would be reduced because the member has not reached normal retirement age. The deferral ends when the member reaches normal retirement age for the plan. The election to defer is irrevocable and must be made before payment of a service retirement benefit begins. Service retirement benefits deferred under this subsection must be paid by the retirement system without an early retirement reduction and without any retroactive payment for the deferral period. If the member dies before the end of the deferral period, the deferral of benefits applies to any continuing beneficiary payments for the same deferral period that would have been applicable to the member. This subsection applies to a member with service credit from a participating local district who retires under a plan in this chapter.

Date: March 26, 2025

To: Senator Michael Tipping, Senate Chair
Representative Amy Roeder, House Chair
Members, Joint Standing Committee on Labor

From: Bill Brown, Director of Actuarial and Legislative Affairs

Subject: LD 900, An Act to Protect State Retirees from Inflation

Good morning Chair Tipping, Chair Roeder and other distinguished members of the Joint Standing Committee on Labor. I am Bill Brown, Director of Actuarial and Legislative Affairs for the Maine Public Employees Retirement System (MainePERS).

MainePERS is neither for nor against LD 900, An Act to Protect State Retiree Pensions from Inflation. We are here to provide information and offer any assistance the committee may require regarding this bill.

State employee and teacher pensions receive cost of living adjustments (COLAs) tied to the Consumer Price Index (CPI). The current cap ("COLA cap") on COLA is 3%, established in 2011. Also in 2011 the amount of a retiree's benefits on which the COLA applies ("COLA Base") was limited to \$20,000, indexed annually based on the percentage of COLA paid. The 2025 COLA base is \$26,428.98. A sheet detailing the most recent history of COLA changes is attached to this testimony.

LD 900 proposes that effective July 1, 2026 the COLA Base increase to \$40,000 and the COLA cap increase to 4%. As drafted, the cap increase would apply only to the fiscal year 2026-27 COLA increase, which would be paid in September 2026. The bill also proposes that effective July 1, 2028, the COLA Base increase to \$50,000 and the COLA cap increase to 5%.

This bill will have a fiscal impact as the Maine Constitution does not permit the creation of new or additional benefits unless they are immediately and fully funded. LD 900 creates additional benefits that are not currently accounted for or funded, creating a new unfunded actuarial liability (UAL). Although we have not yet obtained costs for this bill, we have outlined below the cost for similar provisions previously before the legislature.

In the previous legislature this committee endorsed LD 70 which sought to increase the COLA Base to \$40,000. The fiscal note for this bill required a UAL payment of approximately \$750M. The same proposal required an increase to the ongoing normal cost of employer contributions. These costs will need to be updated to reflect a \$40,000 COLA Base effective July 1, 2026 and a \$50,000 COLA Base effective July 1, 2028.

In 2023 MainePERS estimated that increasing the COLA cap to 4% would require an UAL payment of \$382.3M as well as an increase to the ongoing normal cost of \$6.2M. This cost will also need to be updated to reflect a COLA cap of 4% effective July 1, 2026. The UAL and

normal cost to increase the COLA cap to 5% effective July 1, 2028 will need to be calculated.

MainePERS has one technical note regarding this bill. As drafted, LD 900 appears to increase the COLA cap to 4% in 2026, reduce it to 3% in 2027, and increase it to 5% in 2028. It is unclear if this is the sponsor's intent.

Thank you for your consideration of this testimony. I am happy to take your questions and will be present for any work session.

State-Sponsored Plans COLA History
Prepared by MainePERS – 08/13/2024

YEAR	CPI-U	COLA CAP	COLA PAID	ELIGIBLE BENEFIT (COLA BASE)	MAX COLA	STATUTORY CHANGES
2007	2.70%	4.00%	2.70%			
2008	5.00%	4.00%	4.00%			
2009	-1.40%	4.00%	0.00%			Negative CPI-U; no decrease in benefit. (PL 2009, c. 433)
2010	1.10%	4.00%	0.00%			COLA reduced to account for prior year negative CPI-U. (PL 2009, c. 433)(PL 2009, c. 473)
2011	3.60%	3.00% of eligible benefit	0.00%			COLA frozen; COLA Cap decreased; maximum benefit level eligible for COLA set to \$20,000, indexed (PL 2011, c. 380)
2012	1.70%	3.00% of eligible benefit	0.00%			COLA frozen; one-time non-cumulative COLA of 3% of benefit up to \$20k paid (PL 2011, c. 380)
2013	1.80%	3.00% of eligible benefit	0.00%			COLA frozen; one-time non-cumulative COLA of 1.70% of benefit up to \$20k paid (PL 2011, c. 380)
2014	2.10%	3.00% of eligible benefit	2.10%	\$20,000.00	\$420.00	One-time non-cumulative COLA of 1.8% of benefit up to \$30k paid (PL 2013, c. 578)
2015	0.10%	3.00% of eligible benefit	2.55%	\$20,420.00	\$520.71	COLA rate set for two-year period (minimum 2.55%) (PL 2015, c. 334)
2016	1.00%	3.00% of eligible benefit	2.55%	\$20,940.71	\$533.99	COLA rate set for two-year period (minimum 2.55%) (PL 2015, c. 334)
2017	1.60%	3.00% of eligible benefit	1.60%	\$21,474.70	\$343.60	
2018	2.90%	3.00% of eligible benefit	2.90%	\$21,818.30	\$632.73	
2019	1.60%	3.00% of eligible benefit	1.60%	\$22,451.03	\$359.22	
2020	0.60%	3.00% of eligible benefit	0.60%	\$22,810.24	\$136.86	
2021	5.40%	3.00% of eligible benefit	4.00%	\$22,947.11	\$917.79	Additional 1% COLA eff 9/1/2021 (PL 2021, c. 635, Pt. NN).
2022	9.10%	3.00% of eligible benefit	3.00%	\$24,186.25	\$725.59	2022 COLA base increased to reflect full 2021 CPI-U (PL 2021, c. 635, Pt. NN); one-time non-cumulative payment of 1.00% of COLA Base paid (PL 2023, c. 3, Pt. J); one-time non-cumulative payment of 3.00% paid (PL 2023, c. 412, Pt. HHHHH)
2023	3.00%	3.00% of eligible benefit	3.00%	\$24,911.84	\$747.36	
2024	3.00%	3.00% of eligible benefit	3.00%	\$25,659.20	\$769.78	
2025				\$26,428.98		



132nd MAINE LEGISLATURE

FIRST REGULAR SESSION-2025

Legislative Document

No. 900

S.P. 389

In Senate, March 11, 2025

An Act to Protect State Retiree Pensions from Inflation

Received by the Secretary of the Senate on March 5, 2025. Referred to the Committee on Labor pursuant to Joint Rule 308.2 and ordered printed.

A handwritten signature in dark ink, appearing to read "D M Grant".

DAREK M. GRANT
Secretary of the Senate

Presented by Senator BALDACCI of Penobscot.
Cosponsored by Senator: BEEBE-CENTER of Knox.

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

Sec. 1. 5 MRSA §17806, sub-§1, ¶A, as amended by PL 2021, c. 635, Pt. NN, §1, is further amended to read:

A. Except as provided in paragraphs A-1, A-2 and A-3 and A-4, whenever there is a percentage increase in the Consumer Price Index from July 1st to June 30th, the board shall automatically make an equal percentage increase in retirement benefits, beginning in September, up to a maximum annual increase of 3%. Beginning July 1, 2028, whenever there is a percentage increase in the Consumer Price Index from July 1st to June 30th, the board shall automatically make an equal percentage increase in retirement benefits, beginning in September, up to a maximum annual increase of 5%. Effective July 1, 2011, the increase applies to that portion of the retirement benefit up to \$20,000, ~~which and that~~ amount must be indexed in subsequent years by the same percentage adjustments granted under this section. Effective July 1, 2022, the increase applies to that portion of the retirement benefit up to \$24,186.25, ~~which and that~~ amount must be indexed in subsequent years by the same percentage adjustments granted under this section. Effective July 1, 2026, the increase applies to that portion of the retirement benefit up to \$40,000. Effective July 1, 2028, the increase applies to that portion of the retirement benefit up to \$50,000, and that amount must be indexed in subsequent years by the same percentage adjustments granted under this section.

Sec. 2. 5 MRSA §17806, sub-§1, ¶A-4 is enacted to read:

A-4. For cost-of-living adjustments awarded in fiscal year 2026-27 only, whenever there is a percentage increase in the Consumer Price Index from July 1st to June 30th, the board shall automatically make an equal percentage increase in retirement benefits, beginning in September, up to a maximum annual increase of 4%. The increase applies to that portion of the retirement benefit that would otherwise be subject to an increase under paragraph A.

SUMMARY

This bill provides that for fiscal year 2026-27, the Board of Trustees of the Maine Public Employees Retirement System, whenever there is a percentage increase in the Consumer Price Index from July 1st to June 30th, must automatically make an equal percentage increase in retirement benefits up to a maximum annual increase of 4%. Beginning in fiscal year 2028-29, the board must automatically make an equal percentage increase up to a maximum annual increase of 5%. The bill provides that, effective July 1, 2026, cost-of-living increases for retired state employees and teachers and their beneficiaries apply to the first \$40,000 of the retirement benefit. Effective July 1, 2028, the cost-of-living increases for retired state employees and teachers and their beneficiaries apply to the first \$50,000 of the retirement benefit and must be increased in subsequent years by the same percentage adjustment.

Date: March 26, 2025

To: Senator Michael Tipping, Senate Chair
Representative Amy Roeder, House Chair
Members, Joint Standing Committee on Labor

From: Bill Brown, Director of Actuarial and Legislative Affairs

Subject: LD 1003, An Act Establishing the Retirement Benefit Improvement Fund

Good morning, Senator Tipping, Representative Roeder and other distinguished members of the Joint Standing Committee on Labor. I am Bill Brown, Director of Actuarial and Legislative Affairs for the Maine Public Employees Retirement System (MainePERS).

MainePERS is neither for nor against LD 1003. We are here to provide information and to offer any assistance the committee may request regarding this bill.

State employee and teacher retirement benefits are subject to cost of living adjustments (COLAs) tied to the Consumer Price Index (CPI). The current cap on COLA is 3%, established in 2011. Also in 2011 the amount of a retiree's benefit to which the COLA applies ("COLA Base") was limited to \$20,000, indexed annually based on the percentage of COLA paid. The 2025 COLA base is \$26,428.98. A sheet detailing the most recent history of COLA changes is attached to this testimony.

As proposed, Section 2 of LD 1003 establishes a non-lapsing fund in Part 20 of Title 5 to accumulate a portion of year-end unappropriated General Fund surpluses for the purpose of increasing the COLA Base. When it is determined that the fund contains sufficient funds to increase the COLA Base by at least \$500, the State Controller would transfer the funds necessary to do so to MainePERS.

This committee is well aware that changes to the COLA Base require significant upfront funding since the Maine Constitution does not permit the creation of new or additional benefits unless they are immediately and full funded. However, there is no fiscal impact associated with this bill as drafted as it does not make any appropriation to create any new benefits. Rather, LD 1003 proposes to establish a fund in which to set aside funding as described in the bill to gradually increase and/or eliminate the COLA Base over time.

The fund as proposed in the bill appears consistent with other funds that are held and administered by the State of Maine. If it is the intent of the bill for the fund to be administered by the State of Maine, we would suggest the State Controller be responsible for the annual report on the status of the fund. If, however, it is the intent of the bill that the fund be administered by MainePERS we are available to work with the bill sponsor and the committee analyst on the language.

Thank you for your consideration of this testimony. I am happy to take your questions and be present for the work session.

State-Sponsored Plans COLA History
Prepared by MainePERS – 08/13/2024

YEAR	CPI-U	COLA CAP	COLA PAID	ELIGIBLE BENEFIT (COLA BASE)	MAX COLA	STATUTORY CHANGES
2007	2.70%	4.00%	2.70%			
2008	5.00%	4.00%	4.00%			
2009	-1.40%	4.00%	0.00%			Negative CPI-U; no decrease in benefit. (PL 2009, c. 433)
2010	1.10%	4.00%	0.00%			COLA reduced to account for prior year negative CPI-U. (PL 2009, c. 433)(PL 2009, c. 473)
2011	3.60%	3.00% of eligible benefit	0.00%			COLA frozen; COLA Cap decreased; maximum benefit level eligible for COLA set to \$20,000, indexed (PL 2011, c. 380)
2012	1.70%	3.00% of eligible benefit	0.00%			COLA frozen; one-time non-cumulative COLA of 3% of benefit up to \$20k paid (PL 2011, c. 380)
2013	1.80%	3.00% of eligible benefit	0.00%			COLA frozen; one-time non-cumulative COLA of 1.70% of benefit up to \$20k paid (PL 2011, c. 380)
2014	2.10%	3.00% of eligible benefit	2.10%	\$20,000.00	\$420.00	One-time non-cumulative COLA of 1.8% of benefit up to \$30k paid (PL 2013, c. 578)
2015	0.10%	3.00% of eligible benefit	2.55%	\$20,420.00	\$520.71	COLA rate set for two-year period (minimum 2.55%) (PL 2015, c. 334)
2016	1.00%	3.00% of eligible benefit	2.55%	\$20,940.71	\$533.99	COLA rate set for two-year period (minimum 2.55%) (PL 2015, c. 334)
2017	1.60%	3.00% of eligible benefit	1.60%	\$21,474.70	\$343.60	
2018	2.90%	3.00% of eligible benefit	2.90%	\$21,818.30	\$632.73	
2019	1.60%	3.00% of eligible benefit	1.60%	\$22,451.03	\$359.22	
2020	0.60%	3.00% of eligible benefit	0.60%	\$22,810.24	\$136.86	
2021	5.40%	3.00% of eligible benefit	4.00%	\$22,947.11	\$917.79	Additional 1% COLA eff 9/1/2021 (PL 2021, c. 635, Pt. NN).
2022	9.10%	3.00% of eligible benefit	3.00%	\$24,186.25	\$725.59	2022 COLA base increased to reflect full 2021 CPI-U (PL 2021, c. 635, Pt. NN); one-time non-cumulative payment of 1.00% of COLA Base paid (PL 2023, c. 3, Pt. J); one-time non-cumulative payment of 3.00% paid (PL 2023, c. 412, Pt. HHHHH)
2023	3.00%	3.00% of eligible benefit	3.00%	\$24,911.84	\$747.36	
2024	3.00%	3.00% of eligible benefit	3.00%	\$25,659.20	\$769.78	
2025				\$26,428.98		



132nd MAINE LEGISLATURE

FIRST REGULAR SESSION-2025

Legislative Document

No. 1003

H.P. 650

House of Representatives, March 11, 2025

An Act Establishing the Retirement Benefit Improvement Fund

Reference to the Committee on Labor suggested and ordered printed.

A handwritten signature in cursive script, reading "R B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative DODGE of Belfast.

Cosponsored by Representatives: BECK of South Portland, BOYER of Cape Elizabeth, DILL of Old Town, GRAHAM of North Yarmouth, MACIAS of Topsham, MCCABE of Lewiston, RAY of Lincolnville, ROEDER of Bangor.

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

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

4 **1. Final priority reserves.** After the transfers to the State Contingent Account
5 pursuant to section 1507, the transfers to the Loan Insurance Reserve pursuant to section
6 1511, the transfers pursuant to section 1522, a transfer of \$2,500,000 for the Reserve for
7 General Fund Operating Capital ~~and~~, the transfers to the Retiree Health Insurance Internal
8 Service Fund pursuant to section 1519 and the transfer to the Retirement Benefit
9 Improvement Fund pursuant to section 17446, the State Controller shall transfer at the close
10 of each fiscal year from the unappropriated surplus of the General Fund an amount equal
11 to the amount available from the unappropriated surplus after all required deductions of
12 appropriations, budgeted financial commitments and adjustments considered necessary by
13 the State Controller have been made as follows:

14 A. Eighty percent to the stabilization fund; and

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

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

18 **ARTICLE 10**

19 **RETIREMENT BENEFIT IMPROVEMENT FUND**

20 **§17446. Retirement Benefit Improvement Fund**

21 **1. Establishment of fund.** The Retirement Benefit Improvement Fund, referred to in
22 this section as "the fund," is established as an interest-bearing, nonlapsing fund for the
23 purpose of providing the resources necessary to increase the portion of the retirement
24 benefit in which cost-of-living adjustments are applied pursuant to section 17806,
25 subsection 1, paragraph A.

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

28 Notwithstanding any provision of law to the contrary, at the close of the fiscal year ending
29 June 30, 2026 and each subsequent fiscal year thereafter, until such time as the cost-of-
30 living adjustment as described in section 17806, subsection 1, paragraph A is applied to a
31 retiree's full retirement benefit, as the next priority after the transfers authorized pursuant
32 to sections 1507, 1511 and 1522, the transfer of \$2,500,000 for the Reserve for General
33 Fund Operating Capital pursuant to section 1536 and the transfers to the Retiree Health
34 Insurance Internal Service Fund pursuant to section 1519 and after all required deductions
35 of appropriations, budgeted financial commitments and adjustments considered necessary
36 by the State Controller have been made, and prior to the transfers required under section
37 1536, subsection 1, paragraphs A and G, the State Controller shall transfer the remaining
38 balance of the unappropriated surplus of the General Fund to the fund established in
39 subsection 1.

3. Use of fund. Money in the fund must be used to pay for the cost-of-living adjustment described by section 17806, subsection 1, paragraph A. The State Controller shall notify the retirement system of the balance in the fund no later than August 1st of each year. If the retirement system determines that the balance in the fund is sufficient to increase by at least \$500 the portion of the retirement benefit in which cost-of-living adjustments are applied, the retirement system shall notify the State Controller. Upon such notification, the State Controller shall transfer the funds in the fund to the retirement system and the chief executive officer of the retirement system shall increase the portion of the retirement benefits in which cost-of-living adjustments are applied beginning in September of that year. If the balance in the reserve account is not sufficient to increase the portion of the retirement benefits in which cost-of-living adjustments are applied by at least \$500, then the funds remain in the fund.

4. Report. The chief executive officer of the retirement system shall report at least annually on or before the 2nd Friday in January to the joint standing committee of the Legislature having jurisdiction over appropriations and financial affairs and the joint standing committee of the Legislature having jurisdiction over labor on the status of and activity in the fund.

SUMMARY

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

Date: March 26, 2025

To: Senator Michael Tipping, Senate Chair
Representative Amy Roeder, House Chair
Members, Joint Standing Committee on Labor

From: Bill Brown, Director of Actuarial and Legislative Affairs

Subject: LD 1021, An Act to Remove Certain Cost-of-living Adjustment Restrictions for Retired Members of the Law Enforcement Bargaining Unit Who Are 65 Years of Age or Older

Good morning Senator Tipping, Chair Roeder and the other distinguished members of the Joint Standing Committee on Labor. I am Bill Brown, Director of Actuarial and Legislative Affairs for the Maine Public Employees Retirement System (MainePERS).

MainePERS is neither for nor against LD 1021. We are here to provide information and to offer any assistance the committee may request surrounding this bill.

State employee and teacher pensions receive cost of living adjustments (COLAs) tied to the Consumer Price Index (CPI). The current cap ("COLA cap") on COLA is 3%, established in 2011. Also in 2011 the amount of a retiree's benefits on which the COLA applies ("COLA Base") was limited to \$20,000, indexed annually based on the percentage of COLA paid. The 2025 COLA base is \$26,428.98. A sheet detailing the most recent history of COLA changes is attached to this testimony.

It is our understanding after speaking with those familiar with the bill that the intent is to remove the COLA Base once a retiree from one of the stated positions reaches age 65, effective with the COLA awarded in September 2025. As drafted, the bill appears to require coverage for employees who retire at age 65 or older. However, the majority of the positions covered are currently included in special plans that permit retirement well before age 65. Specifically, the COLA base for current retirees who are at least age 65 would be removed and those who are not yet age 65 as well as future retirees would have no COLA base limitation when they reach age 65. If that is the intent, we are happy to work with the bill sponsor and the Committee Analyst to amend the bill to ensure the intent is clear.

This bill will have a fiscal impact as the Maine Constitution does not permit the creation of new or additional benefits unless they are immediately and fully funded. LD 1021 creates additional benefits that are not currently accounted for or funded, creating a new unfunded actuarial liability (UAL). UAL and normal costs attributable to this proposed change remain to be calculated. We have not yet obtained costs for this bill pending guidance from the Committee. Thank you for your consideration of this testimony. I am happy to answer questions and we will be present for the work session.

State-Sponsored Plans COLA History
Prepared by MainePERS – 08/13/2024

YEAR	CPI-U	COLA CAP	COLA PAID	ELIGIBLE BENEFIT (COLA BASE)	MAX COLA	STATUTORY CHANGES
2007	2.70%	4.00%	2.70%			
2008	5.00%	4.00%	4.00%			
2009	-1.40%	4.00%	0.00%			Negative CPI-U; no decrease in benefit. (PL 2009, c. 433)
2010	1.10%	4.00%	0.00%			COLA reduced to account for prior year negative CPI-U. (PL 2009, c. 433)(PL 2009, c. 473)
2011	3.60%	3.00% of eligible benefit	0.00%			COLA frozen; COLA Cap decreased; maximum benefit level eligible for COLA set to \$20,000, indexed (PL 2011, c. 380)
2012	1.70%	3.00% of eligible benefit	0.00%			COLA frozen; one-time non-cumulative COLA of 3% of benefit up to \$20k paid (PL 2011, c. 380)
2013	1.80%	3.00% of eligible benefit	0.00%			COLA frozen; one-time non-cumulative COLA of 1.70% of benefit up to \$20k paid (PL 2011, c. 380)
2014	2.10%	3.00% of eligible benefit	2.10%	\$20,000.00	\$420.00	One-time non-cumulative COLA of 1.8% of benefit up to \$30k paid (PL 2013, c. 578)
2015	0.10%	3.00% of eligible benefit	2.55%	\$20,420.00	\$520.71	COLA rate set for two-year period (minimum 2.55%) (PL 2015, c. 334)
2016	1.00%	3.00% of eligible benefit	2.55%	\$20,940.71	\$533.99	COLA rate set for two-year period (minimum 2.55%) (PL 2015, c. 334)
2017	1.60%	3.00% of eligible benefit	1.60%	\$21,474.70	\$343.60	
2018	2.90%	3.00% of eligible benefit	2.90%	\$21,818.30	\$632.73	
2019	1.60%	3.00% of eligible benefit	1.60%	\$22,451.03	\$359.22	
2020	0.60%	3.00% of eligible benefit	0.60%	\$22,810.24	\$136.86	
2021	5.40%	3.00% of eligible benefit	4.00%	\$22,947.11	\$917.79	Additional 1% COLA eff 9/1/2021 (PL 2021, c. 635, Pt. NN).
2022	9.10%	3.00% of eligible benefit	3.00%	\$24,186.25	\$725.59	2022 COLA base increased to reflect full 2021 CPI-U (PL 2021, c. 635, Pt. NN); one-time non-cumulative payment of 1.00% of COLA Base paid (PL 2023, c. 3, Pt. J); one-time non-cumulative payment of 3.00% paid (PL 2023, c. 412, Pt. HHHHH)
2023	3.00%	3.00% of eligible benefit	3.00%	\$24,911.84	\$747.36	
2024	3.00%	3.00% of eligible benefit	3.00%	\$25,659.20	\$769.78	
2025				\$26,428.98		



132nd MAINE LEGISLATURE

FIRST REGULAR SESSION-2025

Legislative Document

No. 1021

S.P. 439

In Senate, March 13, 2025

**An Act to Remove Certain Cost-of-living Adjustment Restrictions
for Retired Members of the Law Enforcement Bargaining Unit Who
Are 65 Years of Age or Older**

(EMERGENCY)

Received by the Secretary of the Senate on March 12, 2025. Referred to the Committee on Labor pursuant to Joint Rule 308.2 and ordered printed.

A handwritten signature in black ink, appearing to read "D M Grant", is positioned above the printed name of the Secretary of the Senate.

DAREK M. GRANT
Secretary of the Senate

Presented by Senator BRENNER of Cumberland.
Cosponsored by Representative MURPHY of Scarborough and
Senators: CYRWAY of Kennebec, HARRINGTON of York, Representatives: ARDELL of
Monticello, PERKINS of Dover-Foxcroft.

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

3 **Whereas,** cost-of-living adjustments are applied to the applicable portion of an
4 eligible retiree's benefit amount beginning in September of each year; and

5 **Whereas,** this legislation may affect the percentage increase to be applied to the
6 applicable portion of an eligible law enforcement officer's retirement benefit amount
7 beginning in September 2025; and

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

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

13 **Sec. 1. 5 MRSA §17806, sub-§1, ¶A,** as amended by PL 2021, c. 635, Pt. NN, §1,
14 is further amended to read:

15 A. Except as provided in paragraphs A-1, A-2 ~~and~~ A-3 and A-4, whenever there is a
16 percentage increase in the Consumer Price Index from July 1st to June 30th, the board
17 shall automatically make an equal percentage increase in retirement benefits, beginning
18 in September, up to a maximum annual increase of 3%. Effective July 1, 2011, the
19 increase applies to that portion of the retirement benefit up to \$20,000, which amount
20 must be indexed in subsequent years by the same percentage adjustments granted under
21 this section. Effective July 1, 2022, the increase applies to that portion of the retirement
22 benefit up to \$24,186.25, which amount must be indexed in subsequent years by the
23 same percentage adjustments granted under this section.

24 **Sec. 2. 5 MRSA §17806, sub-§1, ¶A-4** is enacted to read:

25 A-4. Beginning in 2025, whenever there is a percentage increase in the Consumer Price
26 Index from July 1st to June 30th, the board shall automatically make an equal
27 percentage increase in retirement benefits, beginning in September, up to a maximum
28 annual increase of 3% for retirement benefits paid to individuals who are 65 years of
29 age or older and who qualify for a service retirement benefit for one of the following
30 positions:

31 (1) A game warden, game warden investigator, game warden pilot and game
32 warden specialist in the employment of the Department of Inland Fisheries and
33 Wildlife;

34 (2) A marine patrol officer and marine patrol specialist in the employment of the
35 Department of Marine Resources;

36 (3) A correctional detective and corrections resource coordinator of the
37 Department of Corrections employed in a correctional facility, as defined in Title
38 34-A, section 1001, subsection 6, or whose duties involve contact with prisoners,
39 probationers, parolees or juvenile offenders;

40 (4) A state fire marshal investigator and a state fire marshal senior investigator in
41 the Department of Public Safety;

(5) A detective in the employment of the office of investigations within the Department of the Secretary of State, Bureau of Motor Vehicles;

(6) A Baxter Park Ranger I in the employment of the Baxter State Park Authority;

(7) A deputy judicial marshal, corporal judicial marshal and sergeant judicial marshal as defined in Title 25, section 2801-A, subsection 2-A;

(8) A detective in the employment of the Office of the Attorney General;

(9) A capitol police officer in the employment of the Department of Public Safety;

(10) A Forest Ranger I, Forest Ranger II, Forest Ranger III and Ranger Pilot in the employment of the Department of Agriculture, Conservation and Forestry;

(11) A probation officer in the employment of the Department of Corrections;

(12) A juvenile community corrections officer in the employment of the Department of Corrections; and

(13) A military security police officer in the employment of the Department of Defense, Veterans and Emergency Management.

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

SUMMARY

This bill provides that, for certain law enforcement officers and certain retired state employees who retire at 65 years of age or older, the cost-of-living increases apply to that retiree's entire retirement benefit instead of only to the amount specified under current law.

Date: March 26, 2025

To: Senator Michael Tipping, Senate Chair
Representative Amy Roeder, House Chair
Members, Joint Standing Committee on Labor

From: Bill Brown, Director of Actuarial and Legislative Affairs

Subject: LD 1025, An Act to Allow Federal Civil Service to Count for Purposes of Maine Public Employees Retirement System Benefits

Good morning Senator Tipping, Chair Roeder and the other distinguished members of the Joint Standing Committee on Labor. I am Bill Brown, Director of Actuarial and Legislative Affairs for the Maine Public Employees Retirement System (MainePERS).

MainePERS is neither for nor against LD 1025. We are here to provide information and to offer any assistance the committee may request surrounding this bill.

The State/Teacher Plan administered by MainePERS provides a defined benefit plan for State employees and teachers. Eligibility for a service retirement benefit and the amount of that benefit are determined in part by a member's years of service. Under limited circumstances members may purchase additional service credit to increase the total service credit used in the calculation of benefits. A chart showing examples of the types of service credit currently eligible for purchase is attached to this testimony. Purchased service credit may allow a member to retire earlier or with an increased retirement benefit.

LD 1025 proposes to allow a member of the State/Teacher Plan who previously served as an employee of the federal employment service to purchase up to 5 years of service credit at actuarial, or unsubsidized, cost.

There is no fiscal impact to LD 1025 as drafted. As a member opting to purchase service credit under the provisions of LD 1025 is required to pay the full actuarial.

The bill as drafted does not afford members in the Participating Local District (PLD) Plan the same opportunity to purchase federal employment service as that being proposed for members of the State/Teacher Plan. Amending the bill to include this provision in the laws that govern these plans would enable consistency in the laws regarding this specific provision.

Additionally, the phrase "federal employment service" is currently used in Title 5 to refer to a specific type of federal employment that can be included as service credit in the State/Teacher Plan. We would be happy to work with the bill sponsor and the committee analyst to clarify the language of the bill.

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

Service Credit Purchase Provisions- State/Teacher Plan

Type of Service	Description	Maximum Purchase	Cost?	Authorization
Active Military	Active duty military service before becoming a MainePERS member	4 Years	Varies	Title 5§ 17760
Out-of-State	Service earned working for a state other than Maine	10 Years	Actuarial	Title 5§ 17754(2)
Non-Contributory MainePERS	Time worked in MainePERS-covered employment before becoming a MainePERS member	No Limit	Varies ¹	Title 5§ 17752
Refunded	MainePERS service time previously refunded at a member's request	No Limit	Contributions & Interest (C&I)	Title 5§ 17757
Private/Parochial Teaching	Time that a teacher taught in a parochial school, or public or private academy	10 Years	Varies	Title 5§ 17763
Teacher Prior Service	Time taught in Maine's public schools before July 1, 1947, the date that MainePERS began to cover Maine's public school teachers	No Limit	None	Title 5§ 17752
Federal Service	Time worked for the federal employment service before it was returned to state control	No Limit	C&I	Title 5 § 17759 ²
Head Start	Time worked in one of Maine's Head Start programs	2 Years	Actuarial	Title 5§ 17764
CETA	Employment under the U.S. Comprehensive Employment and Training Act	No Limit	Actuarial	Title 5§ 17761
VISTA	Time spent as a member of Volunteers in Service to America	2 Years	Actuarial	Title 5§ 17764
Fulbright Exchange	Time spent as a member of the Fulbright Exchange Program	2 Years	Actuarial	Title 5§ 17764
Peace Corps	Time spent as a member of the Peace Corps	2 Years	Actuarial	Title 5§ 17764
Foreign Teaching	Time teaching children of United States Foreign Service Corps personnel or United States armed forces personnel	2 Years	Actuarial	Title 5§ 17764

¹ Available only to those eligible before August 1, 2010

² Does not apply to members who begin membership on or after January 1, 1976

Teacher's Aide	Time employed as a teacher's aide or Educational Technician in Maine's public schools prior to becoming a "teacher"	No Limit	Actuarial	Title 5 §17765
Maine Educational Leave Act	State employees only: Time on unpaid or partially paid educational leave under the Maine Educational Leave Act	No Limit	Actuarial	Title 5 §17766



132nd MAINE LEGISLATURE

FIRST REGULAR SESSION-2025

Legislative Document

No. 1025

S.P. 443

In Senate, March 13, 2025

An Act to Allow Federal Civil Service to Count for Purposes of Maine Public Employees Retirement System Benefits

Received by the Secretary of the Senate on March 12, 2025. Referred to the Committee on Labor pursuant to Joint Rule 308.2 and ordered printed.

A handwritten signature in black ink, appearing to read "D M Grant", is positioned above the printed name of the Secretary of the Senate.

DAREK M. GRANT
Secretary of the Senate

Presented by Senator HARRINGTON of York. (BY REQUEST)

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

Sec. 1. 5 MRSA §17759-A is enacted to read:

§17759-A. Federal employment service credit purchase

1. Service before becoming member. Notwithstanding section 17759, a member who served as an employee of the federal employment service before becoming a member is entitled under this subsection to purchase service credit for the period of time that the member served as an employee of the federal employment service by complying with the applicable provisions of subsection 2. Service credit purchased under this section is limited to 5 years.

2. Members qualified for credit at actuarial cost. A member qualified under subsection 1 to purchase service credit at the cost set forth in this subsection is entitled to service credit if the member pays 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.

A. Payment must be made before any retirement benefit becomes effective for that member.

B. Payment may be made to the retirement system by a single direct payment or by annual direct payments in accordance with section 17701, subsection 4.

SUMMARY

This bill allows a member of the Maine Public Employees Retirement System who served as an employee of the federal employment service before becoming a member to purchase service credit up to 5 years for the period of time that the member served as an employee of the federal employment service.

Date: March 26, 2025

To: Senator Michael Tipping, Senate Chair
Representative Amy Roeder, House Chair
Members, Joint Standing Committee on Labor

From: Bill Brown, Director of Actuarial and Legislative Affairs

Subject: LD 1040, An Act to Raise the Cap on Retirement Benefits for Certain State Employees and Teachers to Which a Cost-of-living Adjustment Is Made

Good morning, Senator Tipping, Representative Roeder and other distinguished members of the Joint Standing Committee on Labor. I am Bill Brown, Director of Actuarial and Legislative Affairs for the Maine Public Employees Retirement System (MainePERS).

MainePERS is neither for nor against LD 1040, An Act to Raise the Cap on Retirement Benefits for Certain State Employees and Teachers to Which a Cost-of-Living Adjustment Is Made. We are here to provide information and to provide any assistance the committee may request surrounding this bill.

State employee and teacher pensions receive cost of living adjustments (COLAs) tied to the Consumer Price Index (CPI). The current cap ("COLA cap") on COLA is 3%, established in 2011. Also in 2011 the amount of a retiree's benefits on which the COLA applies ("COLA Base") was limited to \$20,000, indexed annually based on the percentage of COLA paid. The 2025 COLA base is \$26,428.98. A sheet detailing the most recent history of COLA changes is attached to this testimony.

LD 1040 proposes that effective July 1, 2026, the COLA Base increase to \$40,000 for State employee and Teacher (State/Teacher Plan) members who retired on or before June 30, 2011.

This bill will have a fiscal impact as the Maine Constitution does not permit the creation of new or additional benefits unless they are immediately and fully funded. LD 1040 creates additional benefits that are not currently accounted for or funded, creating a new unfunded actuarial liability (UAL). MainePERS estimates that an increase to \$40,000 of the COLA Base for State/Teacher Plan members retired on or before June 30, 2011, effective July 1, 2026, creates a UAL of \$118.2M.

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

State-Sponsored Plans COLA History
Prepared by MainePERS – 08/13/2024

YEAR	CPI-U	COLA CAP	COLA PAID	ELIGIBLE BENEFIT (COLA BASE)	MAX COLA	STATUTORY CHANGES
2007	2.70%	4.00%	2.70%			
2008	5.00%	4.00%	4.00%			
2009	-1.40%	4.00%	0.00%			Negative CPI-U; no decrease in benefit. (PL 2009, c. 433)
2010	1.10%	4.00%	0.00%			COLA reduced to account for prior year negative CPI-U. (PL 2009, c. 433)(PL 2009, c. 473)
2011	3.60%	3.00% of eligible benefit	0.00%			COLA frozen; COLA Cap decreased; maximum benefit level eligible for COLA set to \$20,000, indexed (PL 2011, c. 380)
2012	1.70%	3.00% of eligible benefit	0.00%			COLA frozen; one-time non-cumulative COLA of 3% of benefit up to \$20k paid (PL 2011, c. 380)
2013	1.80%	3.00% of eligible benefit	0.00%			COLA frozen; one-time non-cumulative COLA of 1.70% of benefit up to \$20k paid (PL 2011, c. 380)
2014	2.10%	3.00% of eligible benefit	2.10%	\$20,000.00	\$420.00	One-time non-cumulative COLA of 1.8% of benefit up to \$30k paid (PL 2013, c. 578)
2015	0.10%	3.00% of eligible benefit	2.55%	\$20,420.00	\$520.71	COLA rate set for two-year period (minimum 2.55%) (PL 2015, c. 334)
2016	1.00%	3.00% of eligible benefit	2.55%	\$20,940.71	\$533.99	COLA rate set for two-year period (minimum 2.55%) (PL 2015, c. 334)
2017	1.60%	3.00% of eligible benefit	1.60%	\$21,474.70	\$343.60	
2018	2.90%	3.00% of eligible benefit	2.90%	\$21,818.30	\$632.73	
2019	1.60%	3.00% of eligible benefit	1.60%	\$22,451.03	\$359.22	
2020	0.60%	3.00% of eligible benefit	0.60%	\$22,810.24	\$136.86	
2021	5.40%	3.00% of eligible benefit	4.00%	\$22,947.11	\$917.79	Additional 1% COLA eff 9/1/2021 (PL 2021, c. 635, Pt. NN).
2022	9.10%	3.00% of eligible benefit	3.00%	\$24,186.25	\$725.59	2022 COLA base increased to reflect full 2021 CPI-U (PL 2021, c. 635, Pt. NN); one-time non-cumulative payment of 1.00% of COLA Base paid (PL 2023, c. 3, Pt. J); one-time non-cumulative payment of 3.00% paid (PL 2023, c. 412, Pt. HHHHH)
2023	3.00%	3.00% of eligible benefit	3.00%	\$24,911.84	\$747.36	
2024	3.00%	3.00% of eligible benefit	3.00%	\$25,659.20	\$769.78	
2025				\$26,428.98		



132nd MAINE LEGISLATURE

FIRST REGULAR SESSION-2025

Legislative Document

No. 1040

H.P. 669

House of Representatives, March 14, 2025

**An Act to Raise the Cap on Retirement Benefits for Certain State
Employees and Teachers to Which a Cost-of-living Adjustment Is
Made**

Received by the Clerk of the House on March 12, 2025. Referred to the Committee on Labor pursuant to Joint Rule 308.2 and ordered printed pursuant to Joint Rule 401.

A handwritten signature in cursive script, reading "R B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative DODGE of Belfast.
Cosponsored by Senator TIPPING of Penobscot and
Representatives: BOYER of Cape Elizabeth, BUNKER of Farmington, GRAHAM of North
Yarmouth, MACIAS of Topsham, MCCABE of Lewiston, ROEDER of Bangor, SATO of
Gorham, SHAGOURY of Hallowell.

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

Sec. 1. 5 MRSA §17806, sub-§1, ¶A, as amended by PL 2021, c. 635, Pt. NN, §1, is further amended to read:

A. Except as provided in paragraphs A-1, A-2 and A-3, whenever there is a percentage increase in the Consumer Price Index from July 1st to June 30th, the board shall automatically make an equal percentage increase in retirement benefits, beginning in September, up to a maximum annual increase of 3%. Effective July 1, 2011, the increase applies to that portion of the retirement benefit up to \$20,000, which amount must be indexed in subsequent years by the same percentage adjustments granted under this section. Effective July 1, 2022, the increase applies to that portion of the retirement benefit up to \$24,186.25, which amount must be indexed in subsequent years by the same percentage adjustments granted under this section. Effective July 1, 2026, for retired state employees and teachers who retired on or before June 30, 2011 or their beneficiaries, the increase applies to that portion of the retirement benefit up to \$40,000, which amount must be indexed in subsequent years by the same percentage adjustments granted under this section.

SUMMARY

This bill provides that, effective July 1, 2026, the cost-of-living adjustment applies to \$40,000 of the retirement benefit being paid to retired state employees and retired teachers who retired on or before June 30, 2011 or their beneficiaries.



132nd MAINE LEGISLATURE

FIRST REGULAR SESSION-2025

Legislative Document

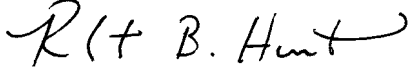
No. 1124

H.P. 743

House of Representatives, March 18, 2025

An Act Regarding Retirement Benefits and Salary Adjustments for Judicial Employees

Reference to the Committee on Judiciary suggested and ordered printed.


ROBERT B. HUNT
Clerk

Presented by Representative FREDETTE of Newport.

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

Sec. 1. 5 MRSA §285, sub-§7, ¶N is enacted to read:

N. For a judicial employee who retires after January 1, 2026 under the provisions of section 17851, subsection 18, the State shall contribute 100% of the individual premium until the retiree reaches 65 years of age or otherwise qualifies for Medicare, whichever is earlier.

Sec. 2. 5 MRSA §17851, sub-§18 is enacted to read:

18. Judicial employees; 35 years of creditable service. An employee of the judicial branch qualifies for a service retirement benefit before the employee reaches the employee's normal retirement age if the employee:

A. Retires before reaching 65 years of age; and

B. Retires upon completion of 35 years of continuous creditable service in that capacity.

Sec. 3. Calculation of salary savings; adjustment of salary schedules for judicial employees. Notwithstanding any provision of law to the contrary, the Department of Administrative and Financial Services shall calculate any savings in salary and other associated costs due to the retirement of judicial employees pursuant to the Maine Revised Statutes, Title 5, section 17851, subsection 18. Effective for fiscal year 2026-27, the savings calculated pursuant to this section must be used to increase salaries of employees of the judicial branch. Salary increases pursuant to this section must prioritize salary increases for those judicial positions identified by the Department of Administrative and Financial Services as underpaid based on a comparison of regional and national salaries for those positions.

SUMMARY

This bill allows an employee of the judicial branch to retire before reaching 65 years of age if the employee retires upon completion of 35 years of continuous creditable service. The bill also requires the State to pay 100% of the health insurance premium for that retiree until the retiree reaches 65 years of age or otherwise qualifies for Medicare. The bill directs the Department of Administrative and Financial Services to calculate any savings in salary and other associated costs due to the retirement of judicial employees and to use those savings to increase salaries of employees of the judicial branch.



132nd MAINE LEGISLATURE

FIRST REGULAR SESSION-2025

Legislative Document

No. 1218

S.P. 507

In Senate, March 20, 2025

**An Act to Allow Certain County Commissioners Who Are Maine
Public Employees Retirement System Members to Switch to the
Legislative Retirement Program**

Reference to the Committee on Labor suggested and ordered printed.

A handwritten signature in black ink, appearing to read "D M Grant", is positioned above the printed name of the Secretary of the Senate.

DAREK M. GRANT
Secretary of the Senate

Presented by Senator TIMBERLAKE of Androscoggin.
Cosponsored by Senators: CYRWAY of Kennebec, MARTIN of Oxford, Representatives:
BABIN of Fort Fairfield, MORRIS of Turner, PERKINS of Dover-Foxcroft, WADSWORTH
of Hiram.

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

2 **Sec. 1. 3 MRSA §801, sub-§1**, as amended by PL 2007, c. 491, §18, is further
3 amended to read:

4 **1. Membership mandatory.** Every Legislator serving in the Legislature on or after
5 December 3, 1986 is a member of the Legislative Retirement Program, except that any
6 Legislator who was a member of the Maine State Retirement System on December 2, 1986
7 may choose to be a member of the State Employee and Teacher Retirement Program instead
8 of becoming a member of the Legislative Retirement Program, and any Legislator who is
9 a public school teacher or an employee of the Maine Community College System on leave
10 of absence for the purpose of serving in the Legislature continues to be a member of the
11 State Employee and Teacher Retirement Program and to have contributions deducted from
12 the member's legislative earnable compensation as provided by Title 5, section 17701. A
13 Legislator who terminates employment from a position requiring membership in the State
14 Employee and Teacher Retirement Program no longer contributes to the State Employee
15 and Teacher Retirement Program and, if qualified, is eligible to become a benefit recipient
16 under Title 5, section 17804. Upon such termination, the Legislator becomes a member of
17 the Legislative Retirement Program. Except as provided in section 802, subsection 4,
18 paragraph A, creditable service granted under the State Employee and Teacher Retirement
19 Program may not be transferred to the Legislative Retirement Program. A member ceases
20 to be a member when the member withdraws the member's contributions, becomes a
21 beneficiary as a result of the member's own retirement or dies. A county commissioner may
22 become a member of the Legislative Retirement Program pursuant to subsection 1-B.

23 **Sec. 2. 3 MRSA §801, sub-§1-B** is enacted to read:

24 **1-B. County commissioners who previously served in Legislature.** A county
25 commissioner under Title 30-A, chapter 1 who is a member of the Maine Public Employees
26 Retirement System and is contributing to a defined benefit plan under Title 5, chapter 421,
27 has previously served in the Legislature and is eligible to participate in the Legislative
28 Retirement Program may become a member of the Legislative Retirement Program by
29 submitting a written election to the Maine Public Employees Retirement System within 90
30 days of the effective date of this subsection or assuming office as a county commissioner,
31 whichever is later. If a county commissioner elects to participate in the Legislative
32 Retirement Program under this subsection:

33 A. All previously accrued contributions of the county commissioner to the Maine
34 Public Employees Retirement System as a county commissioner must be transferred to
35 the Legislative Retirement Program;

36 B. All future contributions of the county commissioner must be directed to the
37 Legislative Retirement Program; and

38 C. The county commissioner is subject to all the provisions of this chapter, including
39 benefit calculations and vesting requirements under subchapter 5.

40 **Sec. 3. 3 MRSA §802, sub-§4-A** is enacted to read:

41 **4-A. County commissioner service.** All service as a county commissioner of a county
42 commissioner who makes an election to participate in the Legislative Retirement Program
43 under section 801, subsection 1-B must be allowed as creditable service.

Sec. 4. 5 MRSA §17063 is enacted to read:

§17063. County commissioners

Funds held by the retirement system to the credit of a member who is a county commissioner who makes an election under Title 3, section 801, subsection 1-B must be transferred to the Legislative Retirement Program under Title 3, chapter 29. Upon the election under Title 3, section 801, subsection 1-B, benefits of the county commissioner under this chapter no longer accrue, but the county commissioner retains any benefit that has accrued that has not been transferred under this section.

Sec. 5. Board of Trustees of Maine Public Employees Retirement System to adopt rules. The Board of Trustees of the Maine Public Employees Retirement System shall adopt rules to carry out this Act, including:

1. Establishing the process for making an election under the Maine Revised Statutes, Title 3, section 801, subsection 1-B;
2. Transferring accrued contributions from the Maine Public Employees Retirement System to the Legislative Retirement Program under the Maine Revised Statutes, Title 5, section 17063;
3. Coordinating with the counties to ensure compliance with this Act;
4. Providing guidance to a county commissioner on the financial and legal implications of making an election under the Maine Revised Statutes, Title 3, section 801, subsection 1-B; and
5. Ensuring that past service as a county commissioner is properly credited to the Legislative Retirement Program for a county commissioner under the Maine Revised Statutes, Title 3, section 802, subsection 4-A.

SUMMARY

This bill provides that a county commissioner who is a member of the Maine Public Employees Retirement System and is contributing to a defined benefit plan, has previously served in the Legislature and is eligible to participate in the Legislative Retirement Program may become a member of the Legislative Retirement Program by submitting a written election to the Maine Public Employees Retirement System. Upon making the election, the past contributions of the county commissioner are transferred to the Legislative Retirement Program and service as a county commissioner is counted by the program as creditable service.



132nd MAINE LEGISLATURE

FIRST SPECIAL SESSION-2025

Legislative Document

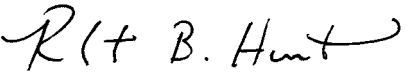
No. 1236

H.P. 811

House of Representatives, March 25, 2025

An Act to Address Employee Retention of State Employees Who Are Firefighters at Bangor International Airport

Reference to the Committee on Labor suggested and ordered printed.


ROBERT B. HUNT
Clerk

Presented by Representative ROEDER of Bangor.
Cosponsored by Senator BALDACCI of Penobscot and
Representatives: FAIRCLOTH of Bangor, RANA of Bangor, SUPICA of Bangor, Senator:
TIPPING of Penobscot.

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

2 **Sec. 1. 5 MRSA §17851-A, sub-§1, ¶H**, as amended by PL 1999, c. 493, §5, is
3 further amended to read:

4 H. ~~Firefighters~~ Until September 30, 2025, firefighters in the employment of the
5 Department of Defense, Veterans and Emergency Management at Bangor International
6 Airport on July 1, 1998, or hired thereafter, ~~provided as long as~~ the Federal Government
7 pays annually to the retirement system the full employer cost of the participation of
8 these employees;

9 **Sec. 2. 5 MRSA §17851-D** is enacted to read:

10 **§17851-D. Special plan for firefighters in employment of Department of Defense,**
11 **Veterans and Emergency Management at Bangor International Airport**

12 **1. Establishment and applicability.** Effective October 1, 2025, there is established
13 a special retirement plan for firefighters in the employment of the Department of Defense,
14 Veterans and Emergency Management at Bangor International Airport, referred to in this
15 section as "the special plan." The special plan applies to firefighters in the employment of
16 the Department of Defense, Veterans and Emergency Management at Bangor International
17 Airport on or after July 1, 1998, if the Federal Government pays annually to the retirement
18 system the full employer cost of the participation of these employees.

19 **2. Qualification for benefits.** A member employed under subsection 1 qualifies for
20 a service retirement benefit after completing 25 years of creditable service in that capacity,
21 whether or not the creditable service included in determining that the 25-year requirement
22 has been met was earned under the special plan established in this section or prior to its
23 establishment.

24 **3. Purchase of service credit to be used for qualification for benefits.** This
25 subsection governs the use of purchased service credit in order to qualify for benefits under
26 this section. For the purpose of meeting the qualification requirement of subsection 2:

27 A. Service credit purchased by repayment of an earlier refund of accumulated
28 contributions following termination of service is included if the time to which the
29 refund relates was served in the position described in subsection 1, regardless of
30 whether the time was served before or after the establishment of the special plan;

31 B. Service credit purchased under section 17760 is considered service under the special
32 plan; and

33 C. Service credit purchased other than as provided under paragraphs A and B is not
34 included.

35 **4. Computation of benefits.** The amount of the service retirement benefit for
36 members qualified under subsection 2 is 1/2 of the member's average final compensation
37 and an additional 2% of the member's average final compensation for each year of
38 membership service not included in determining qualification under subsection 2.

39 **5. Contributions.** Notwithstanding any provision of subchapter 3 to the contrary,
40 after September 30, 2025, a member in a position described in subsection 1 shall contribute
41 to the State Employee and Teacher Retirement Program or have pick-up contributions

made at the rate of 8.65% of earnable compensation until the member has completed 25 years of creditable service as provided in this section and at the rate of 7.65% thereafter.

SUMMARY

This bill establishes a new special retirement plan for firefighters employed by the Department of Defense, Veterans and Emergency Management at Bangor International Airport that allows those employees to retire after 25 years of service regardless of age.



132nd MAINE LEGISLATURE

FIRST SPECIAL SESSION-2025

Legislative Document

No. 1383

H.P. 905

House of Representatives, April 1, 2025

An Act to Require State Divestment from Perpetrators of International Human Rights Violations

Reference to the Committee on State and Local Government suggested and ordered printed.

A handwritten signature in cursive script, reading "R B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative MACIAS of Topsham.

Cosponsored by Representatives: ABDI of Lewiston, DEBRITO of Waterville, DHALAC of South Portland, PUGH of Portland, RANA of Bangor, SATO of Gorham, YUSUF of Portland.

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

2 **Sec. 1. 5 MRSA §1524** is enacted to read:

3 **§1524. State divestment from perpetrators of international human rights violations**

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

6 A. "Crime of apartheid" has the same meaning as in the Rome Statute of the
7 International Criminal Court, article 7, paragraph 2(h).

8 B. "Ethnic cleansing" means the systematic forced removal of an ethnic or religious
9 group from a given territory by another ethnic or religious group, often with the intent
10 to make the territory more ethnically or religiously homogeneous.

11 C. "Genocide" has the same meaning as in the Rome Statute of the International
12 Criminal Court, article 6.

13 D. "Perpetrator state" means a state, country or governing body found by an
14 independent and credible international body, including the United Nations,
15 International Criminal Court or similar tribunal, to have committed the crime of
16 apartheid, ethnic cleansing, genocide or a war crime.

17 E. "War crime" has the same meaning as in the Rome Statute of the International
18 Criminal Court, article 8, paragraph 2.

19 **2. Prohibition on investments.** The State may not invest funds, including any public
20 funds managed by the Maine Public Employees Retirement System under chapter 421, in
21 or enter into a procurement contract with a company, entity, person or financial institution
22 that operates in, directly benefits from or is associated with a perpetrator state. The State
23 shall divest all assets from a company, entity, person or financial institution that operates
24 in, directly benefits from or is associated with a perpetrator state within 12 months of the
25 determination of the perpetrator state's status as a perpetrator state by an independent and
26 credible international body.

27 **3. Monitoring and reporting.** The Office of the Treasurer of State, in collaboration
28 with human rights experts and organizations, shall establish a commission to monitor
29 international human rights reports and identify potential perpetrator states. By January 1st
30 of each year, the Office of the Treasurer of State shall submit a report from the commission
31 detailing the commission's activities and findings regarding compliance with this section
32 to the Governor and the Legislature.

33 **4. Exceptions; waiver.** This section does not apply to an investment or procurement
34 contract related to the provision of humanitarian aid, food, medicine or other essential
35 supplies aimed at alleviating the suffering of a population. The Governor may issue a
36 waiver of the provisions of subsection 2 related to an investment, procurement or
37 divestment if the Governor determines that the waiver will prevent significant harm to the
38 residents of this State or that the operation of this section will undermine national security
39 interests.

40 **5. Legal challenges.** The court shall address a legal challenge to the operation of this
41 section in an expedited manner.

6. Enforcement. The Attorney General shall enforce violations of this section by any department, agency or other public or private person.

Sec. 2. State to divest within 12 months of effective date of this Act. Within 12 months of the effective date of this Act, the Office of the Treasurer of State shall divest all public funds, including any public funds managed by the Maine Public Employees Retirement System under the Maine Revised Statutes, Title 5, chapter 421, from a perpetrator state as defined in Title 5, section 1524, subsection 1, paragraph D.

SUMMARY

This bill prohibits the State from investing public funds or entering into procurement contracts with companies, entities, persons or financial institutions that operate in, directly benefit from or are associated with perpetrator states, countries or governing bodies that have been determined by independent and credible international bodies to have committed the crime of apartheid, ethnic cleansing, genocide or a war crime. The bill directs the Office of the Treasurer of State to create a commission to monitor human rights reports to identify potential perpetrator states, countries or governing bodies and to report the activities and findings regarding compliance with the provisions of this bill annually to the Governor and the Legislature. The bill creates exceptions for humanitarian aid and allows for a waiver related to an investment, procurement or divestment by the Governor in cases of significant harm to the residents of this State or that undermine national security interests.

MAINEPERS

BOARD OF TRUSTEES MEMORANDUM

TO: BOARD MEMBERS
FROM: MICHAEL J. COLLERAN, CHIEF OPERATING OFFICER & GENERAL COUNSEL
CHIP GAVIN, CHIEF SERVICES OFFICER
SHERRY VANDRELL, CHIEF FINANCIAL OFFICER
SUBJECT: MEMBER SERVICES, FINANCE, AND OPERATIONS REPORT
DATE: APRIL 3, 2025

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

POLICY REFERENCE

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

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

MEMBER SERVICES

1. PENSION ADMINISTRATION SYSTEM (PAS) PROJECT: The effective date of the PAS project contract with Sagitec for implementation of its Neospin product as the future core pension software tool used by MainePERS is April 14, 2025. Routine reporting on the status of this project for the implementation phase is expected to begin at the May meeting of the Board of Trustees.
2. EMPLOYEE MEMBER EDUCATION: Beyond the various standing, ongoing webinar and additional member education activities through which hundreds of individuals participate annually, special presentations were made in March for the employees of the City of Portland and the Maine Department of Education. Approximately 100 members attended.
3. DEFINED BENEFIT AND DEFINED CONTRIBUTION GROWTH: The Mi'kmaq Nation joined MainePERS' defined benefit plan on March 1, 2025 under Regular Plan AC for full-time administrative staff and Special Plan 1C for public safety. To date, 56 of their 89 eligible employees have elected to participate. The Mi'kmaq Nation has also signed a supplemental participation agreement for a MaineSTART 457b plan and initiated the process of rolling over all interested participants into it.

The Passamaquoddy Tribe at Pleasant Point also has elected to join the MainePERS' defined benefit plan effective May 1, 2025 under Regular Plan AC for general government employees and under Special Plan 3C for public safety. They have identified 102 existing employees who will be eligible to participate. MainePERS will be traveling to Pleasant Point

to offer information session for employees in mid-April. The Tribal Council's action also granted their Tribal Chief authority to adopt a 457 or 401a plan through MaineSTART.

4. IMPROVED DEATH REPORTING: Survivor Services – The death of a member, retiree or beneficiary can now reported electronically in lieu of calling or sending mail to MainePERS. A death reporting form was introduced to the MainePERS website in March. The form collects the information necessary for MainePERS to begin processing any benefits due. Reports received undergo routine verification and fraud prevention steps. The availability of the form will be communicated more broadly in upcoming member and retiree newsletters.

Notification of Death of a Member, Retiree or Beneficiary

Notification of Death

We are sorry for your loss and are here to assist you. Losing a loved one is difficult, and navigating estate details can be confusing. The death of a MainePERS member, retiree, or beneficiary should be reported promptly to us. This ensures benefits are stopped in a timely manner and helps prevent potential overpayments from occurring. A death can be reported the following ways:

- **Online**: Click [here](#) to complete form.
- **Telephone**: (800) 451-9800 or (207) 512-3100
- **Mail to**:
MainePERS
Survivor Benefits
P.O. Box 349
Augusta, ME 04332

5. MAINESTART RECORDKEEPER TRANSITION: The MaineSTART transition from the Newport Group to Ascensus occurred in late 2024. This transition was the result of a joining of the two companies. Normal daily operations are ongoing. Ascensus will be proposing remedies for any impacts to participants from an initial transition challenge. If it is determined that there was a negative impact, Ascensus will appropriately adjust the participant account to eliminate the negative impact. MainePERS is continuing to monitor closely.

FINANCE

1. EMPLOYER REPORTING. Employers submitted defined benefit payrolls on time at rate of 94% in March. This compares to a rate of 95% for the same period last year. Of the 37 payrolls that missed the deadline, 19 were submitted within three days of deadline. The percentage of fully reconciled accounts through January data is 83.8%, which is 1% higher than last month. The number of fully reconciled accounts increased by 7 accounts, to 581 this month.

The aging of the currently 112 accounts not fully reconciled through January 2025 data breaks down as follows. The numbers in green represent a decrease in count from the prior period and the numbers in red are an increase. Staff continued to make progress on some

of these older accounts this month with additional progress expected in the coming month.

	Oldest Unreconciled Transactions						
Year	2025	2024	2023	2022	2021	2020	2019
# of Accts	16	65	7	1	4	7	12

Portland Public Schools has made significant progress in its payroll reporting in that all calendar year 2024 payrolls are now in for the teacher plan. Staff are reviewing the files and working with staff at the District to determine whether the data can be accepted or requires corrections. The District has also submitted 2025 files for January and February and is now working on reporting for the PLD Plan. The pace of correcting prior year data for members is increasing, as well.

2. EMPLOYER AUDITING. Two new audits were opened during the month of March and no audits were closed out. The focus for the audit staff has been to support closing out long outstanding findings and to support the employer reporting team with the Portland Public Schools corrections project. As we have been able to close out findings, we are now in a position to resume audits and staff will continue to focus on clearing older findings. The percentage of resolved findings to date is 98.4%.
3. ACCOUNTING AND FINANCE. The audit of actuarial practices is complete and staff are reviewing a draft report and providing management responses. The review of our accounting practices and policies for the MaineSTART program is about complete with a draft report expected in the first week of April. Both reports will be brought forward to the Finance and Audit Committee once completed. The next review will cover legislative processes, including tracking potential new legislation and implementing new legislation as it is passed and put into effect. This work is expected to begin in April.

We have begun planning for the annual financial statement audit and both preliminary work and field work schedules have now been confirmed with Berry Dunn.

OPERATIONS

1. INFORMATION TECHNOLOGY: The Business Analysts continue working with the business units on preparing for the business process review phase of the PAS project. IT staff continue to be heavily involved in the data cleansing project. IT Operations staff continue the phased roll-out of Office 365. Development staff have started the process of upgrading all Access databases to Office 365. Recruiting for a replacement Technical Support Technician is ongoing, and we hope to soon reopen recruiting for the Senior Programmer Analyst position.
2. HUMAN RESOURCES: We had two new hires start in March and one termination. We currently are recruiting for two open positions.
3. FACILITIES: The new generator is in place, but completion of the project will be delayed until late May or June while we await delivery of a switch. The new large monitor is scheduled to be installed in the Fort Point conference room (where Board meetings are held) this month.
4. LEGAL: In March, we completed contract negotiations and executed contracts with Sagitec for the new Pension Administration System. We successfully completed all required

minimum distributions by the April 1 deadline thanks to the diligent work of Retirement Services, Document Center, Compliance, and Accounting staff.

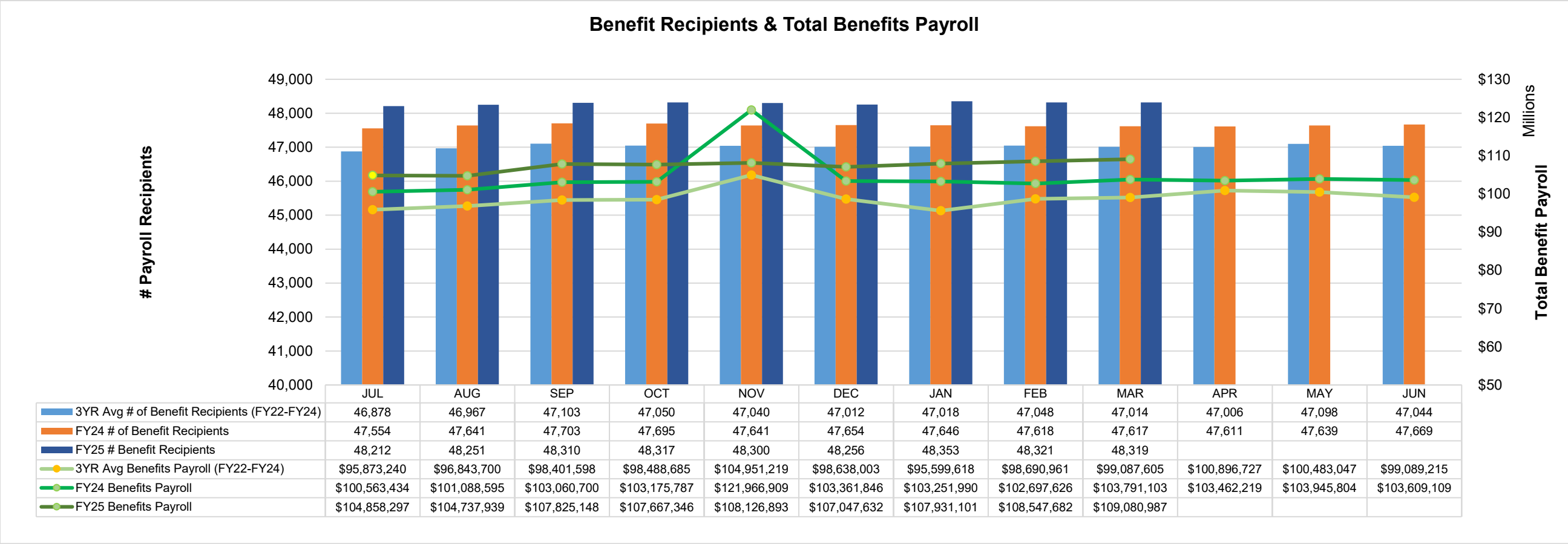
RECOMMENDATION

No Board action is recommended at this time.

MARCH 2025 BOARD OF TRUSTEES OPERATIONS – MEMBER SERVICES SUPPLEMENTAL NUMBERS

RETIREMENT SERVICES

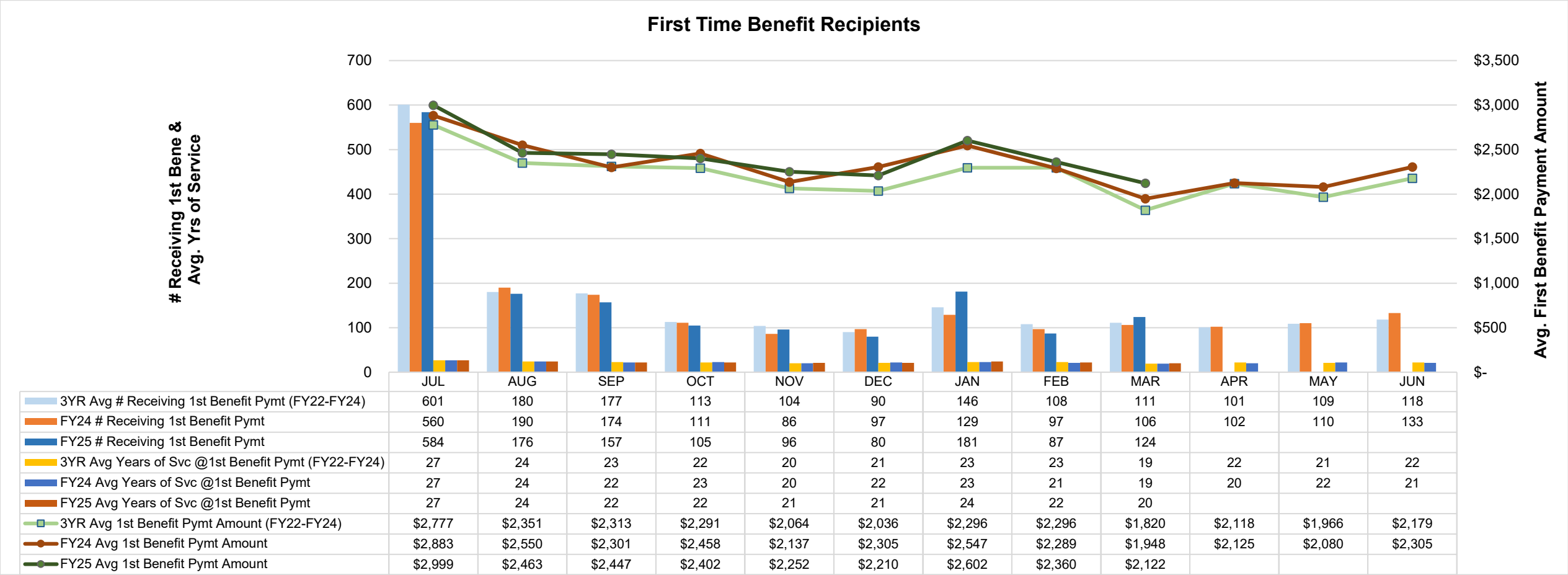
BENEFITS PAYROLL: Regular monthly pension benefit payments were made to 48,319 recipients in March, totaling \$109,080,987. Note: Special payments paid outside of the regular payroll run are not reflected in the “Benefits Payroll” total. Applying to all graphs in this report, instead of providing fiscal years of 2022, 2023 and 2024 individually, this graph provides the average of those years against fiscal years 2024 and 2025.



MARCH 2025 BOARD OF TRUSTEES OPERATIONS – MEMBER SERVICES SUPPLEMENTAL NUMBERS

RETIREMENT SERVICES: (CONTINUED)

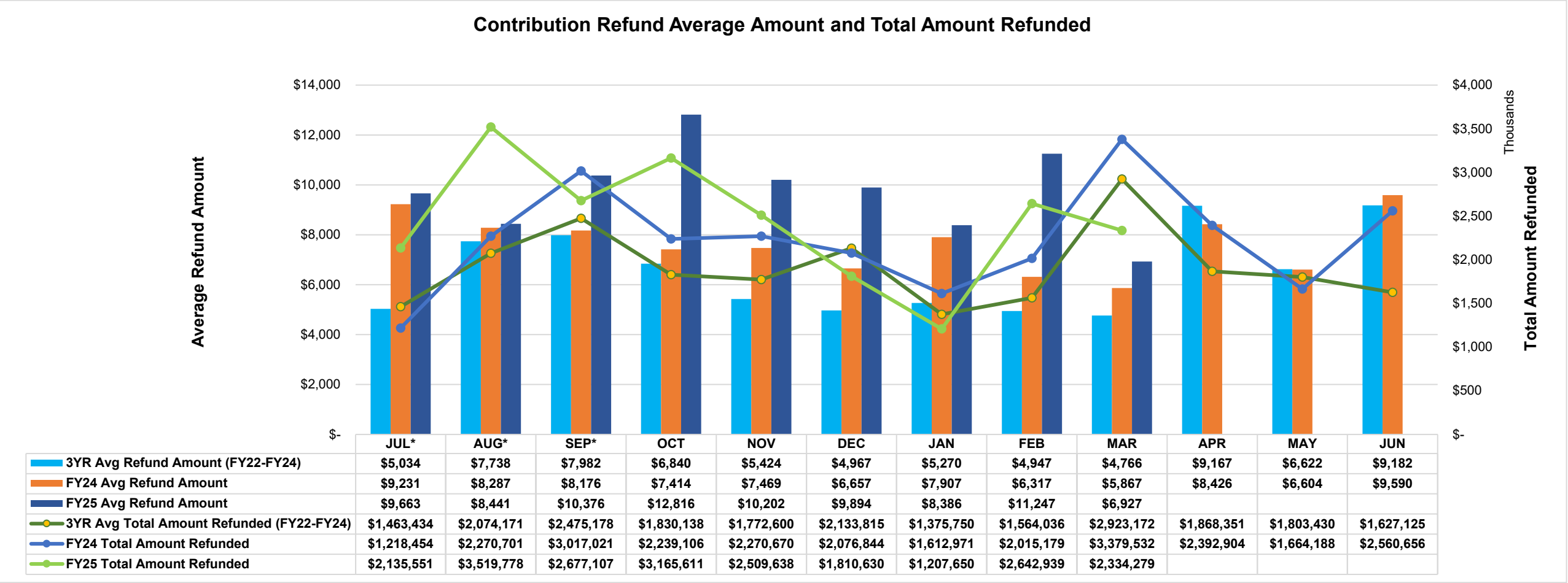
FIRST TIME BENEFIT RECIPIENTS: One Hundred twenty-four (124) individuals received their first benefit payment in March. The average benefit amount was \$2,122. First time recipients averaged twenty (20) years of service. The count of new recipients, payment amount, and service are comparable to data seen during the same month in recent prior years.



MARCH 2025 BOARD OF TRUSTEES OPERATIONS – MEMBER SERVICES SUPPLEMENTAL NUMBERS

RETIREMENT SERVICES: (CONTINUED)

CONTRIBUTION REFUNDS: Three hundred thirty-seven (337) former members received a refund of their contributions in March. The average refund was \$6,927 as the result of an average of two (2) years of service. The aggregate amount refunded was \$2,334,279. Note: Data for FY22 – July to March – was not captured so the average for those months only includes fiscal years 2023 and 2024.

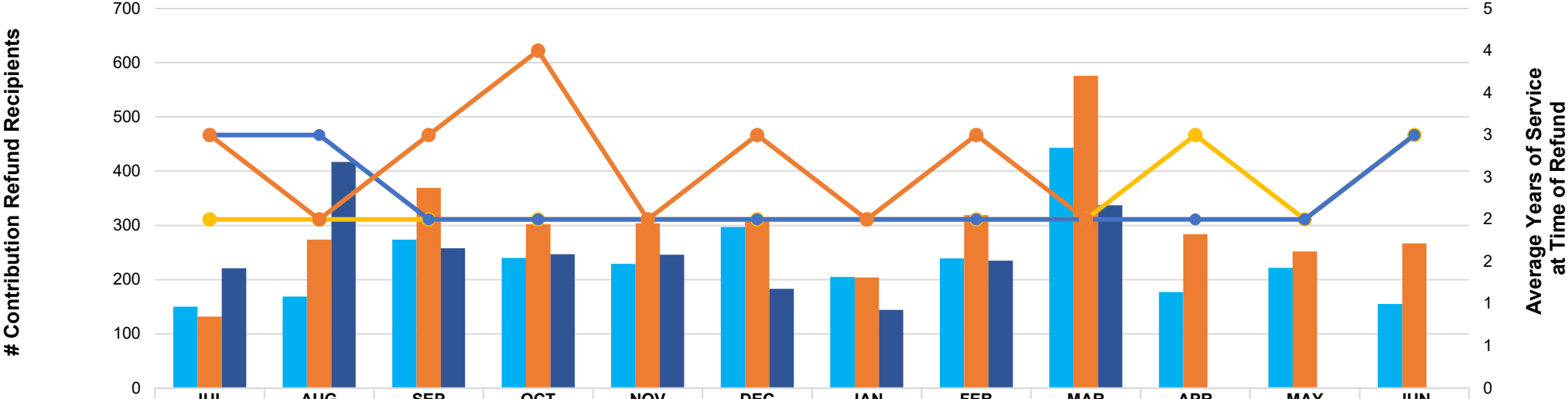


MARCH 2025 BOARD OF TRUSTEES OPERATIONS – MEMBER SERVICES SUPPLEMENTAL NUMBERS

RETIREMENT SERVICES: (CONTINUED)

CONTRIBUTION REFUNDS

Contribution Refunds Issued: Total Number & Average Years of Service

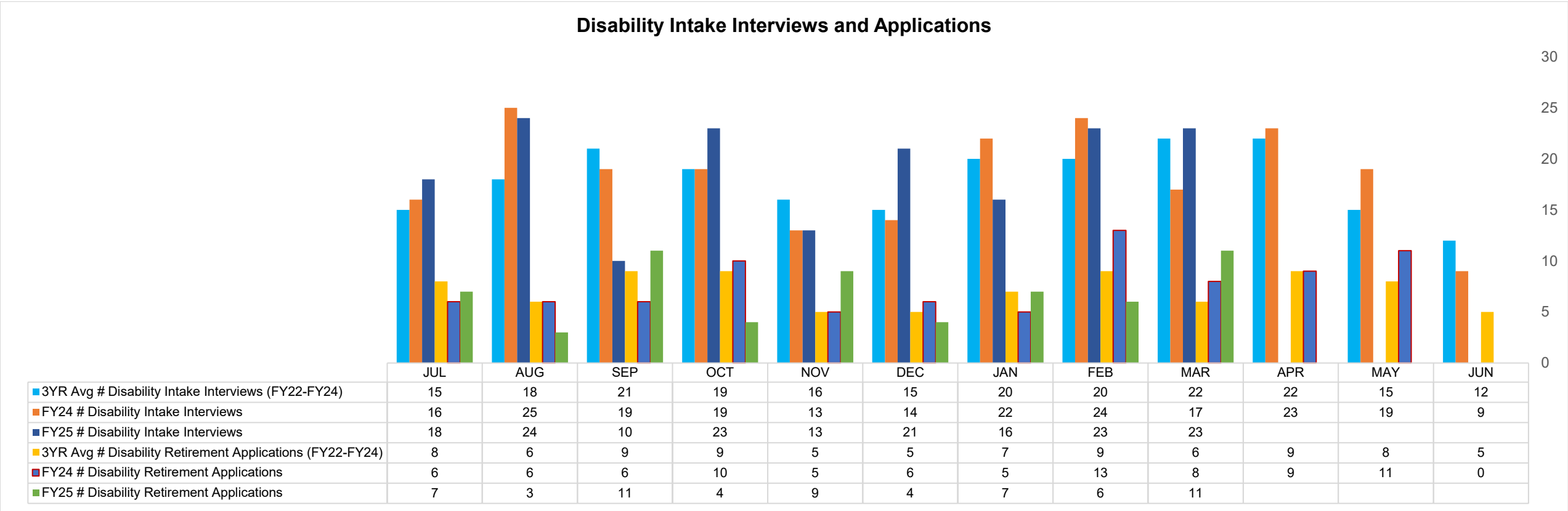


3YR Avg # of Contribution Refund Recipients (FY22-FY24)	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
FY24 # of Contribution Refund Recipients	150	169	274	240	229	297	205	239	443	177	222	155
FY25 # of Contribution Refund Recipients	132	274	369	302	304	312	204	319	576	284	252	267
3YR Avg YRs of Service at Time of Refund (FY22-FY24)	221	417	258	247	246	183	144	235	337			
FY24 Avg YRs of Service at Time of Refund	2	2	2	2	2	2	2	2	2	3	2	3
FY25 Avg YRs of Service at Time of Refund	3	3	2	2	2	2	2	2	2	2	2	3
	3	2	3	4	2	3	2	3	2			

MARCH 2025 BOARD OF TRUSTEES OPERATIONS – MEMBER SERVICES SUPPLEMENTAL NUMBERS

DISABILITY SERVICES

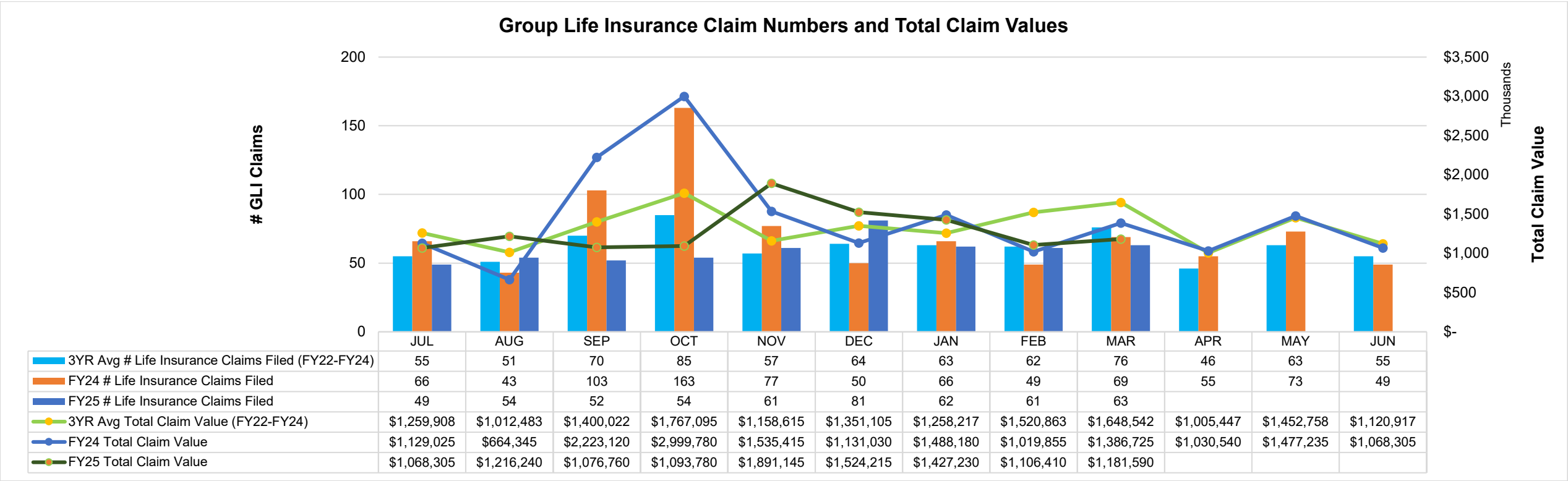
There were twenty-three (23) intake interviews completed in March with varying levels of detail and duration. Intakes included ten (10) State members, eight (8) Teacher members, three (3) PLD and two (2) other members. There were eleven (11) new disability retirement applications received in March.



MARCH 2025 BOARD OF TRUSTEES OPERATIONS – MEMBER SERVICES SUPPLEMENTAL NUMBERS

SURVIVOR SERVICES

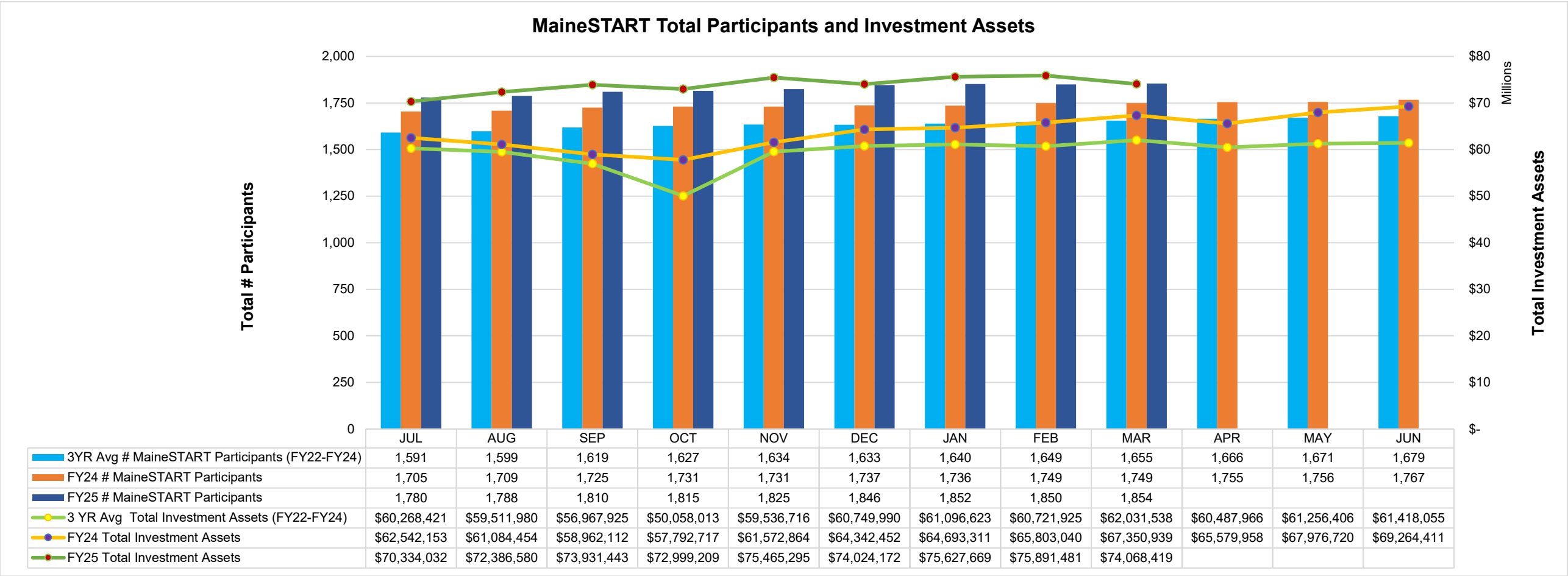
There were sixty-three (63) life insurance claims sent to our carrier (The Hartford) in March with a total value of \$1,181,590 in payments due to beneficiaries. Of the claims, fifty-nine (59) were retiree claims and four (4) were active member claims including two (2) dependent claim.



MARCH 2025 BOARD OF TRUSTEES OPERATIONS – MEMBER SERVICES SUPPLEMENTAL NUMBERS

DEFINED CONTRIBUTION PLAN SERVICES

MaineSTART had one thousand eight hundred fifty-four (1,854) participants at the end of March with \$74,068,419 of investment assets in the program.

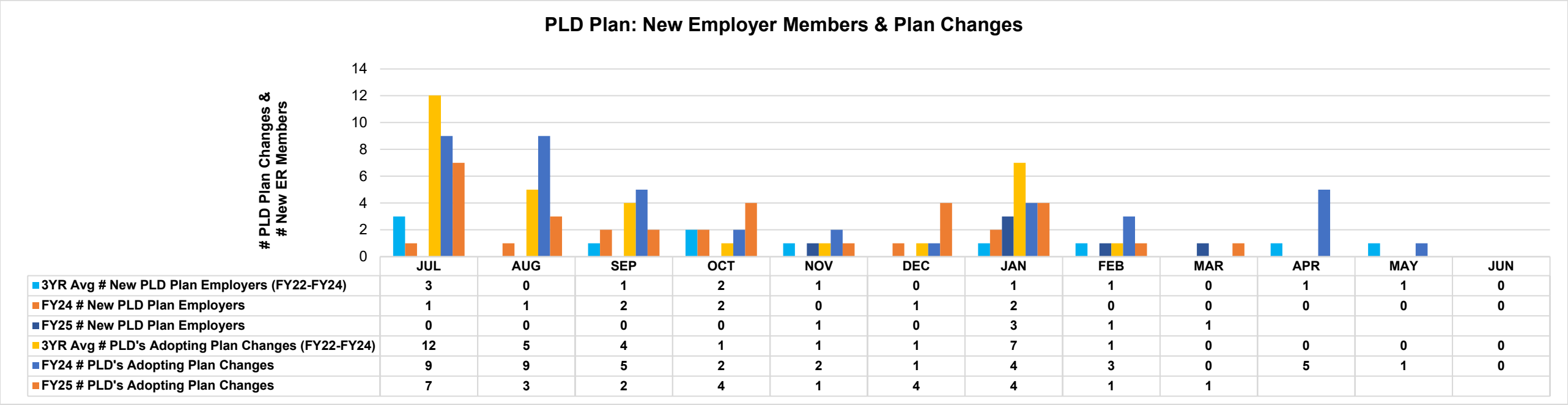


MARCH 2025 BOARD OF TRUSTEES OPERATIONS – MEMBER SERVICES SUPPLEMENTAL NUMBERS

PLD

PLAN ADMINISTRATION

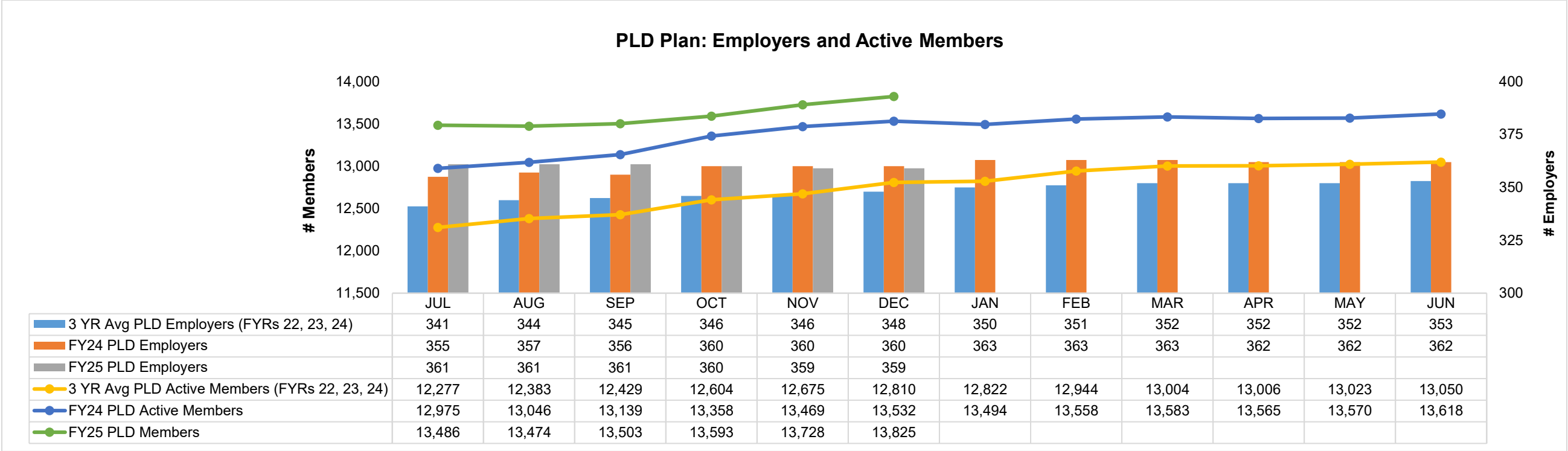
There was one (1) employer joining the PLD Retirement Program effective March 1, 2024. There was one (1) employer plan change effective March 1, 2024. Note: This metric reflects PLD employer changes (joining, returning, adopting plan changes) in the month of their implementation. This format is consistent with MainePERS activity reporting to our actuary.



MARCH 2025 BOARD OF TRUSTEES OPERATIONS – MEMBER SERVICES SUPPLEMENTAL NUMBERS

PLD PLAN ADMINISTRATION (CONTINUED)

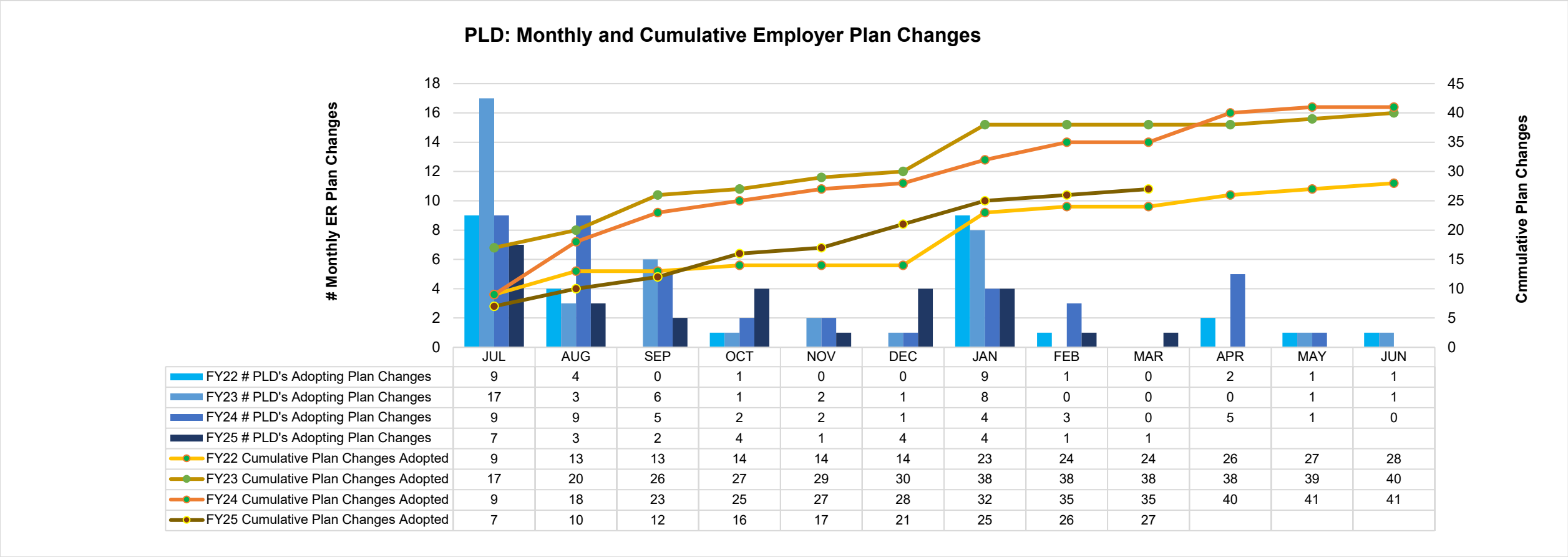
PLD employers fluctuated between 360 and 359 from October to December; PLD Employee numbers increased from 13,593 in October to 13,825 in December. This data will be reported quarterly. Due to the timing of the Board Report, the next update will be included in the April supplement numbers at the May 2025 meeting.



MARCH 2025 BOARD OF TRUSTEES OPERATIONS – MEMBER SERVICES SUPPLEMENTAL NUMBERS

PLD PLAN - MONTHLY AND CUMULATIVE EMPLOYER PLAN CHANGES

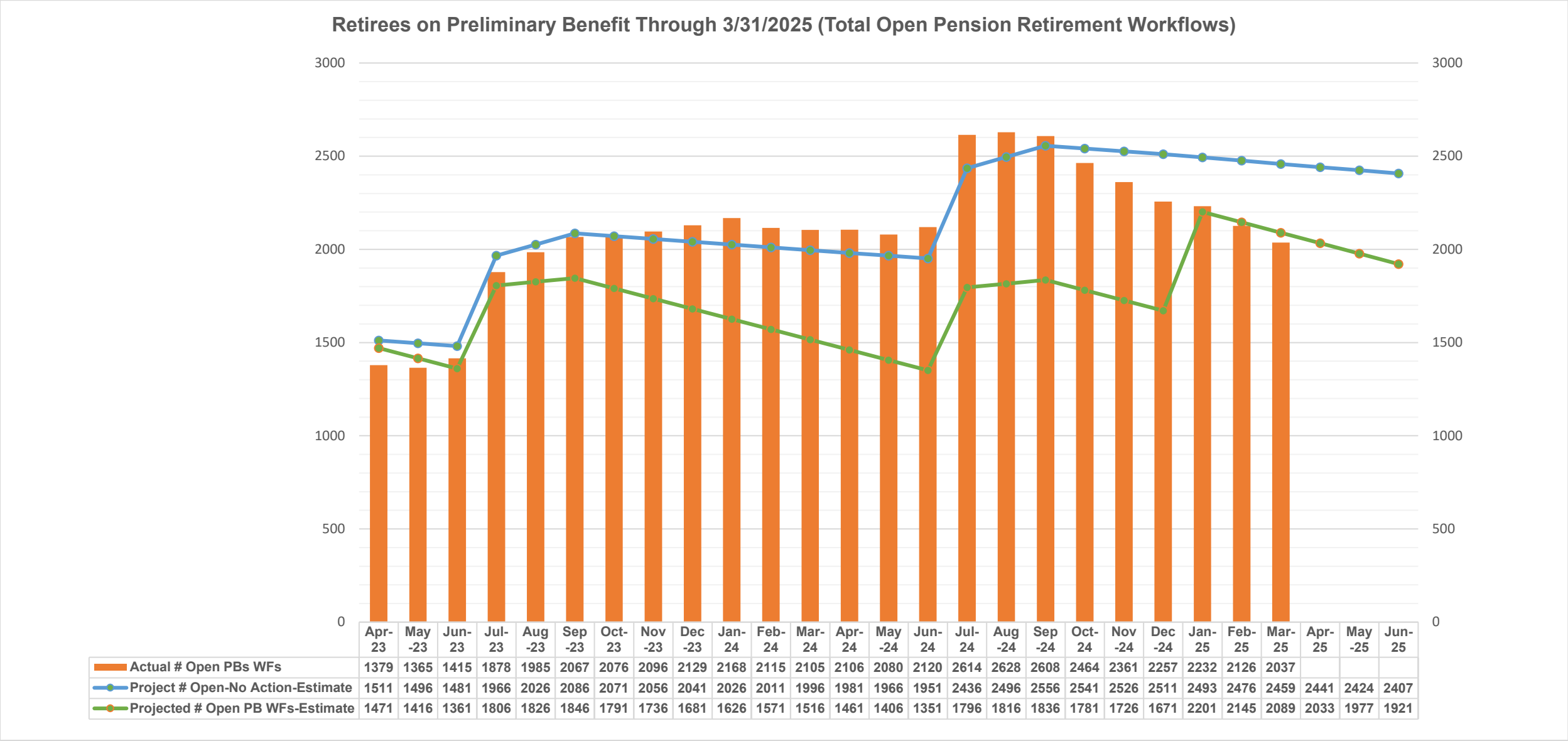
One (1) new employer joined the PLD Retirement Program effective March 1, 2024 and one (1) employer plan change effective March 1, 2024. Total plan changes for FY25 is twenty-seven (27).
Note: This metric reflects PLD employer changes (joining, returning, adopting plan changes) in the month of their implementation. This format is consistent with MainePERS activity reporting to our actuary.



MARCH 2025 BOARD OF TRUSTEES OPERATIONS – MEMBER SERVICES SUPPLEMENTAL NUMBERS

FOCUS FRIDAY IMPACT ON BACKLOG REDUCTION

PRELIMINARY TO FINAL BENEFIT (PB TO FINAL) BACKLOG THROUGH MARCH 31, 2024: The backlog projections and reporting below are based on a data point that counts days since an initial Preliminary Benefit disbursement date (Days on PB) occurred.



MAINEPERS

BOARD OF TRUSTEES RULEMAKING MEMORANDUM

TO: BOARD MEMBERS
FROM: NANETTE ARDRY, ASSOCIATE GENERAL COUNSEL
SUBJECT: RULEMAKING UPDATE
DATE: APRIL 2, 2025

The April Board meeting will include a public hearing on the proposed amendment to Rule Chapter 104, which implements statutory limitations (“caps”) on earnable compensation for the purposes of calculating average final compensation. A public hearing is an opportunity for the public to comment on the proposed rulemaking. It is not the time for the Board to make any decisions or provide responses to any comments or questions. Comments from the public may also be submitted in writing through 4:00 p.m. EDT on April 21, 2025. 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 as soon as the May meeting.

There are statutory caps in the State-Teacher Plan on the amount earnable compensation can increase in a member’s three highest years and still be considered in the member’s retirement benefit. There are exceptions to the caps for collectively-bargained or promotional increases. The proposed amendment to the rule would streamline the process of calculating retirement benefits by eliminating the need to examine individual components of compensation to determine whether they fall within an exception to the caps. Instead, all earnable compensation increases to a member in a collectively-bargained position or receiving a promotion would be excluded from the caps. A copy of the proposed amended rule is attached.

POLICY REFERENCE

[Board Policy 2.3 -- Rulemaking](#)

[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.

Chapter 104: LIMITATIONS ON EARNABLE COMPENSATION FOR PURPOSES OF CALCULATING AVERAGE FINAL COMPENSATION OF STATE EMPLOYEE AND TEACHER MEMBERS

SUMMARY: This Chapter implements 5 M.R.S.A. §17001(13)(C), the provisions in the Maine Public Employees Retirement System statute relating to limitations or “caps” on earnable compensation for the purposes of determining average final compensation for state employee and teacher members.

SECTION 1. DEFINITIONS

Solely for purposes of this Chapter, these terms have the following meanings:

1. **AFC period.** For a state employee or teacher member whose total membership service as a state/teacher member consists of at least 3 years of creditable service, “AFC period” means the three years of creditable service, not necessarily consecutive, in the membership period in which the member’s annual rate of compensation is highest.

For a state employee or teacher member whose total membership service as a state/teacher member consists of at least 1 year but less than 3 years of creditable service, “AFC period” means all of the creditable service, not necessarily consecutive, in the membership period.

2. **Year 1 of the AFC period.** “Year 1 of the AFC period” means the chronologically earliest year used in the AFC period.
3. **Year 2 of the AFC period.** “Year 2 of the AFC period” means the chronologically second year used in the AFC period.
4. **Year 3 of the AFC period.** “Year 3 of the AFC period” means the chronologically third year used in the AFC period.
5. **Collectively bargained salary or wage increase.** “Collectively bargained salary or wage increase” means an increase to a collectively-bargained position’s earnable compensation rate of pay contained in or resulting from a collective bargaining agreement and includes longevity pay increases, merit raises, and general increases.
6. **Primary position.** “Primary position” means the position from which the member earns the majority of their compensation within each AFC period.
7. **Promotion.** “Promotion” means a change in a member’s position, including in an acting capacity, that involves an increase in earnable compensation rate of pay or the addition of a new type of pay, such as a stipend for responsibilities required to be performed in the position.

8. **Regular earnings.** “Regular earnings” means the amount of earnable compensation prior to the inclusion of any payment allowed pursuant to 5 M.R.S.A. §17001(13)(B)(1) and prior to the exclusion of any excess increases required pursuant to 5 M.R.S.A. §17001(13)(C) and the provisions of this Chapter.
9. **Year.** “Year” means one of the following periods of time during which a state employee or teacher member earned creditable service:
 - A. a contract year for teacher members paid on a contract year basis;
 - B. a school year for teacher members who are paid on a school year basis and whose employment is not covered by an individual employment contract or a collective bargaining agreement;
 - C. a calendar year beginning January 1st for state employee members with creditable service periods prior to calendar year 1994. For purposes of transition from a calendar year to a fiscal year in the half-year period of January 1, 1994 through June 30, 1994 for state employees with creditable service after June 30, 1995, proration will be applied;
 - D. a fiscal year beginning July 1st for state employee members retiring with less than 3 years of creditable service after June 30, 1995;
 - E. a rolling 12 month period of creditable service beginning with the final payment of compensation and going back until 12 months of creditable service is accumulated for state employee members retiring with 3 years or more of creditable service after June 30, 1995.
 - F. In cases that present factual circumstances to which application of any of the definitions of “year” set out in paragraphs A through E above would produce a result that is inconsistent with or has effects that are unrelated to the statutory purpose of the cap limitations, as described below, the System will define a “year” of creditable service in a manner that does not produce a result
 - (1) that is driven by factors that are unrelated to the statutory purpose of the cap limitations, or
 - (2) that, while consistent with the statutory purpose of the cap limitations, arbitrarily affects similarly situated members differently.

As used in this subsection, the statutory purpose of the cap limitations is to limit increases in earnable compensation in the AFC years.

SECTION 2. APPLICABILITY

1. **General Statement.** The provisions of this Chapter must be applied when computing average final compensation for a state employee or teacher member whose total membership period as a state/teacher member exceeds 1 year of creditable service subject to the following conditions:

- A. For teacher members paid on a contract year basis, regular earnings are subject to the cap limitations when paid on a contract year basis after June 30, 1993 in accordance with
 - (1) an individual employment contract executed after June 30, 1993 or
 - (2) a collective bargaining agreement, including an addendum or amendment to a previous collective bargaining agreement, effective after June 30, 1993 unless the collective bargaining agreement was executed or ratified in its final form by final vote of one party to the agreement before July 1, 1993 or as a result of other action by the governing body of a school administrative unit before July 1, 1993.
- B. For teacher members not paid under an individual employment contract or collective bargaining agreement, regular earnings are subject to the cap limitations when paid after June 30, 1993.
- C. For all state employee members, regular earnings are subject to the cap limitations when paid to state employees on or after July 1, 1995.
- D. The excess increases determined in accordance with this Chapter must be excluded from the member's earnable compensation for purposes of determining the AFC unless the cost of the additional actuarial liability arising from the excess increase is paid by the employer as provided in 5 M.R.S.A. §17154.

SECTION 3. APPLICATION OF THE 5% AND 10% CAP LIMITATIONS

- 1. When regular earnings for Year 1 of the AFC period are subject to the cap limitation, the earnable compensation for this AFC year must equal the uncapped earnable compensation for Year 1 of the AFC period.
- 2. When regular earnings for Year 2 of the AFC period are subject to the cap limitations, the earnable compensation for this AFC year must equal the lower of the following:
 - A. the uncapped earnable compensation for Year 2 of the AFC period; or
 - B. 105% of the earnable compensation of Year 1 of the AFC period.
- 3. When regular earnings plus any amount payable pursuant to 5 M.R.S.A. §17001(13)(B)(1) for Year 3 of the AFC period are subject to the cap limitations, the earnable compensation for this AFC year must equal the lower of the following:
 - A. the uncapped earnable compensation for Year 3 of the AFC period determined by adding the amount of any payment allowable pursuant to 5 M.R.S.A. §17001(13)(B)(1) to the regular earnings for Year 3 of the AFC period;
 - B. 105% of the capped earnable compensation used for Year 2 of the AFC period; or

- C. 110% of the earnable compensation for Year 1 of the AFC period.
4. If AFC Years 2 and 3 are the only AFC years subject to the cap limitations, the capped earnable compensation for each year shall be determined as in subsections 2 and 3 above. If AFC year 3 is the only AFC year subject to the cap limitations, the capped earnable compensation for that year shall be determined as in subsections 3(A) and (B) above. If none of the regular earnings for an AFC year are subject to the cap limitation, then the uncapped earnable compensation for each such AFC year is the earnable compensation used for determining average final compensation. If only part of the regular earnings in an AFC year is subject to the cap limitations, the earnable compensation for that AFC year shall be determined as in subsections 2 or 3 above and the increase limitations shall be applied only to that period subject to the cap limitation.
 5. ~~Members who experience If, based on subsections 1 through 4, earnings would be excluded as a result of a cap limitation, earnings increases during the AFC period for the member's primary position that are the result of a collectively bargained salary or wage increase or a promotion in their primary position during an AFC year are not subject to the corresponding cap limitations must be determined. These earnings increases are added to the 5% and 10% cap limits in the corresponding years, resulting in increased cap limitations. Earnings are excluded only to the extent that the increased cap limitations are exceeded.~~
 - ~~6. A member who has earnings excluded as a result of a cap limitation after application of subsection 5 may, within 60 days of receiving notice of the exclusion, provide MainePERS with proof that excluded earnings for a position other than a primary position resulted from a collectively bargained salary or wage increase or a promotion. If the member does so, these earnings increases are added to the 5% and 10% cap limits in the corresponding years, resulting in increased cap limitations. Earnings are excluded only to the extent that the increased cap limitations are exceeded.~~
 67. The amount of earnable compensation for each AFC year shall be determined by the usual procedures followed by the System for converting earnable compensation first into an average daily rate and then into allowable annual earnable compensation.
 78. Member contributions in any AFC year that have been paid on earnable compensation that has been excluded from the benefit calculation by operation of this section shall be refunded to the member.

STATUTORY AUTHORITY:

5 MRS §§ 17001(4), 17001(13), 17103(4).

EFFECTIVE DATE:

June 18, 2000 – filing 2000-256

AMENDED:

May 30, 2021 – filing 2021-113

MAINEPERS

BOARD OF TRUSTEES GOVERNANCE MEMORANDUM

TO: BOARD MEMBERS
FROM: MICHAEL J. COLLERAN, CHIEF OPERATING OFFICER AND
GENERAL COUNSEL
SUBJECT: FIDUCIARY DUTY EDUCATION
DATE: APRIL 2, 2025

At the April meeting, Amy McDuffee of Mosaic Governance Advisors will facilitate the Board's annual fiduciary duty education. A copy of her presentation and a handout of applicable laws prepared by Board Counsel Betsy Stivers follow this memo.

POLICY REFERENCE

[Board Policy 1.2 – Trustee Fiduciary Responsibility](#)

[Board Policy 1.8 – Trustee Education](#)

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

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

RECOMMENDATION

No Board action is required at this time.

Annual Board Fiduciary Education: Being a Fiduciary in Uncertain Times

Amy McDuffee, Mosaic Governance Advisors, LLC
Michael Colleran, MainePERS
Besty Stivers, Maine Attorney General's Office

A Presentation to the MainePERS Board | April 10, 2025

Agenda

- Complex Landscape of Public Pension Trusteeship
- Understanding Fiduciary Duties
- Navigating Uncertainty: Fiduciary Duty as a Compass
- Discussion of Hypothetical Scenarios



Complex Landscape of Public Pension Trusteeship



The Role of a Public Pension Trustee

- Administrators of a public trust.
- Held to a fiduciary standard – the highest under law.
- Duty is to members and beneficiaries—past, present, and future.
- Board decisions impact financial futures of thousands.



Macro Context: The Changing Landscape

- Public pension plans operate in a high-stakes, dynamic environment—financially, politically, and socially.
- Growing public scrutiny of investment decisions and governance.
- Demographic pressures are reshaping liabilities and expectations.
- There's no one-size-fits-all governance model—what “works” in one state may not in another.
- Trustees must adapt to the culture and context of their board and plan.



The Nature of Uncertainty

- Risk = measurable.
- Uncertainty = ambiguous and evolving.
- Trustees must act prudently without perfect information.
- Process matters more than outcome in good governance.
- Resilience is built through preparation, not prediction.



Key Areas of Uncertainty for Public Pension Trustees

Governance & Policy

- Changing political leadership
- Board turnover and alignment
- Legislative reforms

Financial & Funding

- Market volatility and recession risk
- Uncertain employer/state contributions
- Pressure on assumed rates of return

Member Demographics & Workforce

- Aging retiree population
- Recruitment and retention challenges
- Uptick toward hybrid/DC plans

Political Pressures

- Controversy over ESG investing
- DEI backlash and scrutiny

Operations & Technology

- Cybersecurity and data privacy threats
- System modernization risks
- Staffing sufficiency and succession

Fiduciary & Legal

- Evolving fiduciary expectations
- External influence and conflicts of interest
- Litigation risk



Understanding Fiduciary Duties



MainePERS Legal Framework

- Maine Constitution
- Maine Statutes
- Federal Law on Qualified Pension Plans, including the Internal Revenue Code
- Please see “Summary of Legal Framework” provided by Assistant Attorney General Betsy Stivers

MainePERS Board of Trustees Fiduciary Responsibility Summary of Legal Framework

Maine Constitution Article IX:

Section 18. **Limitation on use of funds of Maine State Retirement System.** All of the assets, and proceeds or income therefrom, of the Maine State Retirement System or any successor system and all contributions and payments made to the system to provide for retirement and related benefits shall be held, invested or disbursed as in trust for the exclusive purpose of providing for such benefits and shall not be encumbered for, or diverted to, other purposes. Funds appropriated by the Legislature for the Maine State Retirement System are assets of the system and may not be diverted or deappropriated by any subsequent action.

Maine Statutes

MainePERS Board of Trustee statutes:¹

§17101. Establishment

1. Purpose. There is established a retirement system, the functions and operations of which are under the supervision of the board, for the purpose of providing retirement allowances and other benefits under this Part for employees.

2. Name. The retirement system is known as the "Maine Public Employees Retirement System" and by that name all of its business must be transacted, all of its funds invested and all of its cash and securities and other property held in trust for the purpose for which received.

§17102. Duties of the Board of Trustees

4. Oath. Each trustee shall, within 30 days after the trustee's appointment, take an oath of office to faithfully discharge the duties of a trustee, in the form prescribed by the Constitution of Maine.²

§17151. Legislative findings and intent

¹ 5 M.R.S. §17101 et seq. Board of Trustees requirements

² Article IX, Section 1. **Oaths and subscriptions.** Every person elected or appointed to either of the places or offices provided in this Constitution, and every person elected, appointed, or commissioned to any judicial, executive, military or other office under this State, shall, before entering on the discharge of the duties of that place or office, take and subscribe the following oath or affirmation: "I, _____, do swear [or affirm] that I will support the Constitution of the United States and of this State, so long as I shall continue a citizen thereof. So help me God."



Primary Duties that Apply to Fiduciaries

- Duty of Loyalty
- Duty of Prudence
- Duty of Care, including to follow Plan Documents



Attorney General Frey on the Duty of Loyalty

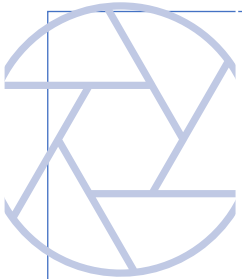
As a fiduciary of a pension trust, the MainePERS Board of Trustees (“the Trustees”) has a duty of loyalty to administer the trust solely in the interest of the beneficiaries and for the articulated purpose of the trust – providing retirement and related benefits. A trustee’s duty of loyalty is a fundamental principle of common law reflected in the Restatement (Third) of Trusts,¹ the Maine Uniform Trust Code,² and the Employee Retirement Income Security Act of 1974 (“ERISA”).³ The constitutional intent is clear. By requiring the funds be held as in trust for the exclusive purpose of providing retirement benefits, the Constitution is mandating that the Trustees manage these funds solely in the best interest of MainePERS members as pension recipients.

Maine Attorney General Aaron M. Frey

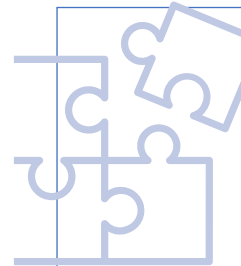
Excerpt from Letter to Joint Standing Committee on Labor and Housing dated April 9, 2021 regarding LD 99 and LD 319



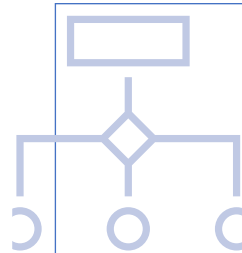
Duty of Prudence: Prudent Investor Standard



Consider the **entire investment portfolio** when determining the fit of an individual investment



Diversification is required, unless it is imprudent to do so



Use special skills and expertise if you have them; **delegation*** is required if you lack sufficient expertise**

*Oversee delegation to investment staff.

** Restatement (Third) of Trusts §80



Duty of Care, including to Follow Plan Documents

- The "plan document" is created by the settlor or plan sponsor - the Maine Legislature.
- Some examples of the MainePERS "plan document" include:
 - The Maine Constitution;
 - Maine State Statutes; and
 - Federal Statutes, particularly the Internal Revenue Code and securities laws.
- Adhering to the written plan documents in the regular management and administration of the plan is a fiduciary responsibility.
- Adherence to the plan's written terms is mandatory; deviations from this are typically regarded as a breach.



Examples of Fiduciary Breaches

- Not acting consistently in the best interests of members and beneficiaries.
- Acting without proper due diligence or disregarding its results.
- Failing to adhere to the written terms of the plan when administering and managing it.
- Knowing about a fellow trustee's misconduct and not acting.

Recent Case Example: *Spence v. American Airlines*



Navigating Uncertainty: Fiduciary Duty as a Compass





Protection from Personal / Civil Liability

- **State law offers substantial protection** for governmental entities, including both the Board and individual board members in their roles as trustees.
- **Board members**, when acting in good faith and within their authority as trustees, **will receive defense against claims** stemming from performance of their duties.



How Fiduciaries Can Stay On Course

- Regularly revisit and reaffirm fiduciary duties – they are your compass.
- Seek out information.
- Engage in process-driven decision-making.
- Demonstrate compliance with applicable law and board policies.
- Leverage expert advice and independent analysis.
- Avoid reactionary responses—think long-term.



The Fiduciary's Tool Kit

- Strong governance framework: charters, policies, structure.
- Documented decision-making.
- Board onboarding, continuing education and self-assessment.
- Role clarity and trust between board, staff and consultants.
- Use of proven practices and expert advice.



Board Norms that Work

- Embrace learning and discussion—no one knows everything (nor are fiduciaries expected to).
- Build collective governance capacity as a board over time.
- Normalize decision-making under ambiguity.
- Encourage thoughtful questions and strategic thinking.
- Ask your experts (staff, the AG's office, board consultants) and rely on their expert advice.



Discussion of Hypothetical Scenarios



Scenario 1. Staying Objective Under Pressure

The board is facing pressure from a legislator to divest from a specific asset class due to public controversy, despite the investment team's recommendation to maintain the position based on the role the asset class plays in the portfolio. The legislator hints that future funding support could depend on the board's response.

What should you do as a fiduciary?

- A. Vote to divest to maintain positive political relationships.
- B. Consult with Board counsel on fiduciary duties and with the Board's general investment consultant and Chief Investment Officer on the investment merits of the asset class.
- C. Abstain from voting to avoid controversy.
- D. Recommend polling stakeholders to see what they prefer.



Scenario 2. Relying on Experts

The plan's actuary presents the annual valuation and recommends maintaining current contribution levels based on funding needs and projected liabilities. One trustee, who has a background in finance, strongly disagrees with the assumptions and urges the board to reject the recommendation in favor of a lower contribution strategy. Several other trustees are unsure who to follow.

What reflects best fiduciary practice?

- A. Vote for the lower contributions because one trustee has financial expertise.
- B. Suggest a vote based on majority opinion to move forward.
- C. Defer to the actuary's independent, professional advice and request clarification if needed.
- D. Propose using an alternative model to justify a different funding approach.



Thank you for your time.

Mosaic Governance Advisors, LLC | www.MosaicGovernance.com

MainePERS Board of Trustees Fiduciary Responsibility Summary of Legal Framework

Maine Constitution Article IX:

Section 18. **Limitation on use of funds of Maine State Retirement System.** All of the assets, and proceeds or income therefrom, of the Maine State Retirement System or any successor system and all contributions and payments made to the system to provide for retirement and related benefits shall be held, invested or disbursed as in trust for the exclusive purpose of providing for such benefits and shall not be encumbered for, or diverted to, other purposes. Funds appropriated by the Legislature for the Maine State Retirement System are assets of the system and may not be diverted or deappropriated by any subsequent action.

Maine Statutes

MainePERS Board of Trustee statutes:¹

§17101. Establishment

1. Purpose. There is established a retirement system, the functions and operations of which are under the supervision of the board, for the purpose of providing retirement allowances and other benefits under this Part for employees.
2. Name. The retirement system is known as the "Maine Public Employees Retirement System" and by that name all of its business must be transacted, all of its funds invested and all of its cash and securities and other property held in trust for the purpose for which received.

§17102. Duties of the Board of Trustees

4. Oath. Each trustee shall, within 30 days after the trustee's appointment, take an oath of office to faithfully discharge the duties of a trustee, in the form prescribed by the Constitution of Maine.²

§17151. Legislative findings and intent

¹ 5 M.R.S. §17101 et seq. Board of Trustees requirements

² Article IX, Section 1. **Oaths and subscriptions.** Every person elected or appointed to either of the places or offices provided in this Constitution, and every person elected, appointed, or commissioned to any judicial, executive, military or other office under this State, shall, before entering on the discharge of the duties of that place or office, take and subscribe the following oath or affirmation: "I, _____, do swear [or affirm] that I will support the Constitution of the United States and of this State, so long as I shall continue a citizen thereof. So help me God."

1. Findings. The Legislature finds that the State owes a great debt to its retired employees for their years of faithful and productive service.
 - A. Part of that debt is repaid by the benefits provided to retirees through the State Employee and Teacher Retirement Program.
 - B. Retirees, who depend heavily on these benefits, and current employees, who will one day retire and receive benefits, are concerned about the financial viability of the retirement program.

§17153. Board of trustees

3. Investment of funds. The board may cause the funds created by this Part to be invested and reinvested in accordance with the standards defined in Title 18-B, [Maine Uniform Trust Code] sections 802 to 807 and chapter 9, [Maine Prudent Investor Act] subject to periodic approval of the investment program by the board.

Maine Uniform Trust Code³

§802. Duty of loyalty

1. Interests of beneficiaries. A trustee shall administer the trust solely in the interests of the beneficiaries.

§804. Prudent administration

A trustee shall administer the trust as a prudent person would, by considering the purposes, terms, distributional requirements and other circumstances of the trust. In satisfying this standard, the trustee shall exercise reasonable care, skill and caution.

Maine Uniform Prudent Investor Act⁴

§901. Prudent investor rule

1. Duty to comply. Except as otherwise provided in [section 902](#), a trustee who invests and manages trust assets owes a duty to the beneficiaries of the trust to comply with the prudent investor rule set forth in this chapter.
2. Altered by provisions of trust. The prudent investor rule may be expanded, restricted, eliminated or otherwise altered by the provisions of a trust. A trustee is not liable to a beneficiary to the extent that the trustee acted in reasonable reliance on the provisions of the trust.

§902. Standard of care; portfolio strategy; risk and return objectives

1. Consideration of purposes, terms, distribution requirements and other circumstances. A trustee shall invest and manage trust assets, as a prudent investor would, by considering the purposes, terms, distribution requirements and other

³ 18-B M.R.S. Uniform Trust Code, Chapter 8, Duties and Powers of Trustees

⁴ 18-B M.R.S. Uniform Trust Code, Chapter 9, Uniform Prudent Investor Act

circumstances of the trust. In satisfying this standard, the trustee shall exercise reasonable care, skill and caution.

Board Policies

The members of the Board of Trustees are trustees of the funds of the System and have a fiduciary obligation to administer the System and the funds under the System's control solely in the interest of the members as beneficiaries of pension and related benefits.⁵

Trustees shall conduct all System business in a fair and reasonable manner for the sole benefit of the members, participants and beneficiaries and consistent with all other governance policies.⁶

Common law of Trusts

Restatement (Third) of Trusts § 78 (2007)

§ 78 Duty of Loyalty

Except as otherwise provided in the terms of the trust, a trustee has a duty to administer the trust solely in the interest of the beneficiaries, or solely in furtherance of its charitable purpose.

Except in discrete circumstances, the trustee is strictly prohibited from engaging in transactions that involve self-dealing or that otherwise involve or create a conflict between the trustee's fiduciary duties and personal interests

Whether acting in a fiduciary or personal capacity, a trustee has a duty in dealing with a beneficiary to deal fairly and to communicate to the beneficiary all material facts the trustee knows or should know in connection with the matter.

MainePERS Divestment statutes⁷

§ 1957 (Divestment from fossil fuels)

2. Limitation on investment in fossil fuel company. The board, in accordance with sound investment criteria and consistent with fiduciary obligations, may not invest the assets of any state pension or annuity fund in the stocks, securities or other obligations of any fossil fuel company or any subsidiary, affiliate or parent of any fossil fuel company. Nothing in this section precludes de minimis exposure of any funds held by the board to the stocks,

⁵ Board Governance 1.2

⁶ Board Governance 1.3

⁷ 5 M.R.S. § 1957 and § 1958

securities or other obligations of any fossil fuel company or any subsidiary, affiliate or parent of any fossil fuel company.

3. Review and divestment of assets. The board shall review the extent to which the assets of any state pension or annuity fund are invested in the stocks, securities or other obligations of any fossil fuel company or any subsidiary, affiliate or parent of any fossil fuel company. The board shall, in accordance with sound investment criteria and consistent with fiduciary obligations, divest any such holdings. Divestment pursuant to this subsection must be complete by January 1, 2026. Nothing in this subsection precludes de minimis exposure of any funds held by the board to the stocks, securities or other obligations of any fossil fuel company or any subsidiary, affiliate or parent of any fossil fuel company.

§ 1958 (Divestment from private prisons)

2. Board may not invest. The board, in accordance with sound investment criteria and consistent with fiduciary obligations, may not invest the assets of the retirement system in any stocks or other securities of any corporation or company that owns or operates prisons for profit. Nothing in this subsection precludes de minimis exposure of any funds held by the board to the stocks, securities or other obligations of any corporation or company that owns or operates prisons for profit.

3. Board to divest. The board shall review the extent to which the assets of the retirement system are invested in any stocks or other securities of any corporation or company that owns or operates prisons for profit. The board shall, in accordance with sound investment criteria and consistent with fiduciary obligations, divest any such holdings. Nothing in this subsection precludes de minimis exposure of any funds held by the board to the stocks, securities or other obligations of any corporation or company that owns or operates prisons for profit.

IRS laws⁸

26 USC §401(a)(2) Qualified pension, profit-sharing, and stock bonus plans

(A) REQUIREMENTS FOR QUALIFICATION A trust created or organized in the United States and forming part of a stock bonus, pension, or profit-sharing plan of an employer for the exclusive benefit of his employees or their beneficiaries shall constitute a qualified trust under this section—

...

(2) if under the trust instrument it is impossible, at any time prior to the satisfaction of all liabilities with respect to employees and their beneficiaries

⁸ 26 USC §401(a)(2)

under the trust, for any part of the corpus or income to be (within the taxable year or thereafter) used for, or diverted to, purposes other than for the exclusive benefit of his employees or their beneficiaries (but this paragraph shall not be construed, in the case of a multiemployer plan, to prohibit the return of a contribution within 6 months after the plan administrator determines that the contribution was made by a mistake of fact or law (other than a mistake relating to whether the plan is described in section 401(a) or the trust which is part of such plan is exempt from taxation under section 501(a), or the return of any withdrawal liability payment determined to be an overpayment within 6 months of such determination));

Federal regulation⁹

§ 1.401-2 Impossibility of diversion under the trust instrument¹⁰

(a) *In general.*

(1) Under section 401(a)(2) a trust is not qualified unless under the trust instrument it is impossible (in the taxable year and at any time thereafter before the satisfaction of all liabilities to employees or their beneficiaries covered by the trust) for any part of the trust corpus or income to be used for, or diverted to, purposes other than for the exclusive benefit of such employees or their beneficiaries. This section does not apply to funds of the trust which are allocated to provide medical benefits described in section 401(h) as defined in paragraph (a) of § 1.401-14. For the rules prohibiting diversion of such funds and the requirement of reversion to the employer after satisfaction of all liabilities under the medical benefits account, see paragraph (c) (4) and (5) of § 1.401-14. For rules permitting reversion to the employer of amounts held in a section 415 suspense account, see § 1.401(a)-2(b).

(3) As used in section 401(a)(2), the phrase “purposes other than for the exclusive benefit of his employees or their beneficiaries” includes all objects or aims not solely designed for the proper satisfaction of all liabilities to employees or their beneficiaries covered by the trust.

⁹ 26 CFR 1.401-2