MainePERS
PUBLIC EMPLOYEES RETIREMENT SYSTEM

# Board of Trustees

## Public Meeting Packet

October 8, 2026

**MainePERS Board of Trustees**
**October 8, 2026**
**139 Capitol Street, Augusta**

## AGENDA

| | | | | |
|---|---|---|---|---|
| 9:00 a.m.[1] | | CALL TO ORDER | | Dick Metivier |
| 9:00 – 9:05 a.m. | 1. | CONSIDERATION OF CONSENT CALENDAR<br>• Minutes of September 10, 2026<br>• Decision, B.S.D. Appeal | ACTION | Dick Metivier |
| 9:05 – 10:35 a.m. | 2. | ACTUARIAL VALUATIONS AND UAL UPDATE | ACTION | Bill Brown<br>Bonnie Rightnour,<br>Greg Reardon,<br>Daniel Rhodes,<br>Cheiron |
| 10:35 – 10:50 a.m. | | *BREAK* | | |
| 10:50 – 11:05 a.m. | 3. | PRIVATE MARKETS ACTION<br>• Executive Session pursuant to 1 M.R.S. §405(6)(F); 5 M.R.S. §17057(4)<br><br>*Board moves out of executive session.*<br><br>• AE Industrial Partners Fund IV | ACTION<br><br><br><br>ACTION<br>ACTION | Dick Metivier<br><br><br><br>James Bennett<br>Scott Lupkas |
| 11:05 – 11:20 a.m. | 4. | INVESTMENT REPORTS<br>• Investment Monthly Review<br>• Co-Investing Reports | | James Bennett<br>Scott Lupkas |
| 11:20 – 11:50 a.m. | 5. | AUDITED FINANCIAL STATEMENTS | ACTION | Karen Doyle<br>Jennifer Lidback<br>Mark LaPrade,<br>Leah Clair, BerryDunn |
| 11:50 a.m.–12:00 p.m. | 6. | RULEMAKING<br>• Repeal Rule Chapter 802 and adopt Amended Rule Chapters 204 and 803 | ACTION | Nanette Ardry |
| 12:00 – 12:30 p.m. | | *LUNCH* | | |

[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.

| | | | | |
|---|---|---|---|---|
| 12:30 – 1:00 p.m. | 7. | CEO REPORT<br>• Strategic Plan Update<br>• Key Performance and Risk Measures | | Dr. Rebecca Wyke |
| 1:00 – 1:10 p.m. | 8. | ADMINISTRATIVE REPORT | | Chip Gavin<br>Karen Doyle<br>Joy Childs<br>Nanette Ardry |
| 1:10 – 1:15 p.m. | 9. | LITIGATION UPDATE | | John Nichols |
| 1:15 – 1:45 p.m. | 10. | CHIEF EXECUTIVE OFFICER EVALUATION<br>• Executive Session pursuant to 1 M.R.S. §405(6)(A)<br><br>*Board moves out of executive session.* | ACTION | Dick Metivier<br>Amy McDuffee<br>Mosaic Governance |
| 1:45 p.m. | | ADJOURNMENT | | Dick Metivier |

Minutes

Board of Trustees
Board Meeting
September 10, 2026

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 August 13, 2026. Brian Noyes, Chair, presided. Other Trustees participating were: Dick Metivier, Vice Chair; Greg Olson, Deputy State Treasurer; John Beliveau; Kirk Duplessis; and John Kimball. Joining the Trustees were Dr. Rebecca Wyke, Chief Executive Officer; Nanette Ardry, General Counsel; James Bennett, Chief Investment Officer; Scott Lupkas, Deputy Chief Investment Officer; Chip Gavin, Chief Operating and Services Officer; Monica Gorman, Secretary to the Board of Trustees; and John Nichols, Assistant Attorney General and Board Counsel. The Board also was joined for select portions of the meeting by Bill Brown, Director of Actuarial and Legislative Affairs; Joy Childs, Chief Technology Officer; Karen Doyle, Chief Financial Officer; Steven Smith, Retirement Services Business Leader; Brian McDonnell and Wade O'Brien, Cambridge Associates; William Greenwood, Albourne; and Rebecca (Becky) Stouffer, Gabriel, Roeder, Smith & Company; and Bonnie Rightnour and Greg Reardon, Cheiron.*

Brian Noyes called the meeting to order at 9:00 a.m. Greg Olson 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.

Brian McDonnell introduced Wade O'Brien of Cambridge Associates to the Board.

## 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 August 13, 2026
- Decision, F.P. Appeal

- Action. Dick Metivier made the motion, seconded by Kirk Duplessis, to approve the consent calendar. Unanimously voted in favor by six Trustees (Beliveau, Duplessis, Kimball, Metivier, Noyes, and Olson).

## PRIVATE MARKETS ACTION

Scott Lupkas presented recommendations to make commitments to JSL Health Capital Fund II; Ares Senior Direct Lending Core; Technology Impact Fund III/Technology Impact Growth Fund III; and Meridiam Infrastructure North America Core Infrastructure Fund. Scott shared the Investment Team believes that these investments are unlikely to lead to meaningful exposure to stocks, securities, or other obligations of fossil fuel or for-profit prison companies.

- Action: John Kimball made the motion, seconded by Dick Metivier, 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 contained in non-public documents. Voted unanimously by six Trustees (Beliveau, Duplessis, Kimball, Metivier, Noyes, and Olson).

*Board moves out of executive session.*

*Greg Olson left the meeting due to technical difficulties.*

**JSL Health Capital Fund II and JSL Health Capital Fund II Special Investment Vehicle**

- Action. Kirk Duplessis made the motion, seconded by John Kimball, that MainePERS make a commitment of up to $20 million to JSL Health Capital Fund II, LP and make a commitment of up to $10 million to a separate investment vehicle that will invest in assets owned or being acquired by JSL Health Capital Fund II, LP, subject to final due diligence, legal review and negotiations, and authorize the Chief Executive Officer, Chief Investment Officer, and General Counsel as signatories to execute documents in connection with this commitment. Unanimously voted in favor by five Trustees (Beliveau, Duplessis, Kimball, Metivier, and Noyes).

**Ares Senior Direct Lending Core**

- Action. John Kimball made the motion, seconded by John Beliveau, that MainePERS, subject to final due diligence, legal review and negotiations, make a commitment of up to $500 million to Ares Senior Direct Lending Core BYOT Master Fund, grant the Investment Team discretion as to commitment deployment, redemption, and timing; and authorize the Chief Executive Officer, Chief Investment Officer, and General Counsel as signatories to execute documents in connection with this commitment. Unanimously voted in favor by five Trustees (Beliveau, Duplessis, Kimball, Metivier, and Noyes).

**Technology Impact Fund III, LP & Technology Impact Growth Fund III, LP**

- Action. Dick Metivier made the motion, seconded by Kirk Duplessis, that MainePERS make a commitment of up to $40 million to Technology Impact Fund III, LP and make a commitment of up to $40 million to Technology Impact Growth Fund III, LP, subject to final due diligence, legal review and negotiations, and authorize the Chief Executive Officer, Chief Investment Officer, and General Counsel as signatories to execute documents in connection with these commitments. Unanimously voted in favor by five Trustees (Beliveau, Duplessis, Kimball, Metivier, and Noyes).

**Meridiam North American Core Infrastructure Fund I**

- Action. John Beliveau made the motion, seconded by Dick Metivier, that MainePERS make a commitment of up to $280 million to Meridiam North America Core Infrastructure Fund I, subject to final due diligence, legal review and negotiations, and authorize the Chief Executive Officer, Chief Investment Officer, and General Counsel as signatories to execute documents in connection with this commitment. Unanimously voted in favor of by five Trustees (Beliveau, Duplessis, Kimball, Metivier, and Noyes).

## GLI/OPEB/RHIT INVESTMENT POLICY STATEMENTS

Jim Bennett reviewed amendments to Board Policies 2.1-A; 2.1-B, and 2.1-D with the Trustees. Jim answered questions from the Trustees and discussed that the recommended changes would broaden the non-US portion of the Public Equity benchmark to include small companies.

- Action. John Kimball made the motion, seconded by Kirk Duplessis, that the Board approve amended Board Policies 2.1-A, 2.1-B, and 2.1-D. Unanimously voted in favor by five Trustees (Beliveau, Duplessis, Kimball, Metivier, and Noyes).

*Greg Olson rejoined the meeting at 9:35 a.m.*

## INVESTMENT EDUCATION

### Market Update

Wade O'Brien shared a presentation on market updates to the portfolio. Wade and Brian McDonnell answered questions from the Trustees.

## PROXY VOTING REVIEW

### Russell 1000 Proxy Voting Report

Jim Bennett provided and discussed proxy voting for Russell 1000 holdings with the Trustees. Jim stated no changes to the System's voting policy or practices are being recommended at this time.

## INVESTMENT REVIEW

### Investment Monthly Review

Jim Bennett reported that as of August 31, 2026, the MainePERS fund had a preliminary market value of $23.1 billion, the preliminary return for the month was 0.9%, and the preliminary calendar year-to-date return was 6.0%.

Scott Lupkas shared the next managers meeting is scheduled for Tuesday, September 22, 2026, in Portland, with presentations by AE Industrial Fund IV at 10:00 a.m. and Carlyle Global Infrastructure at 11:15 a.m. Scott noted that the Investment Team believes AE Industrial is unlikely to lead to meaningful exposure in stocks, securities, or other obligations of fossil fuel or for-profit prison companies. Scott and Jim stated Carlyle Global may have limited exposure in stocks, securities, or other obligations of fossil fuel. Jim and Scott noted that the board material incorrectly labeled the potential exposure as "Incidental" rather than "Within Mandate" and that a corrected version would be provided.

## MaineSTART QUARTERLY REPORT

Chip Gavin presented the MaineSTART Quarterly Review for the quarter ending 6/30/2026. Chip answered questions from the Trustees.

## CEO REPORT

### Board Education Plan

Dr. Rebecca Wyke provided an overview of the Board Education Plan for the Trustees. She shared topics of interest; mission moments; and training workshops available to Trustees. Dr. Wyke answered questions from the Trustees.

**Enterprise Risk Management**

Nanette Ardry shared the annual report of the Enterprise Risk Management Program with the Trustees. The report identifies any significant risks facing the System and steps taken to mitigate them. She reported the top risks continue to be data breach, failure to make benefit payments, fraud or theft, and errors in calculating benefits and contributions. Nanette reviewed the steps being taken to reduce those risks. She answered questions from the Trustees.

**Mission Moment – Preliminary to Final Benefit Update**

Chip Gavin and Steven Smith, Retirement Services Business Leader, State Plan, shared a presentation with the Trustees on the continued work to eliminate backlogs and shorten the processing time of preliminary to final benefits. Chip answered questions from the Trustees.

## ADMINISTRATIVE REPORT

Chip Gavin shared the PAS System implementation continues to be on track. Chip stated a new PLD plan supplemental metrics graph has replaced an older version going forward.

Karen Doyle stated 89% of employers submitted their July payrolls on time in August. Karen shared fully reconciled accounts through the end of June is 77%. She reported there were three new audits opened in August and six audits completed. Karen reported the annual financial audit is underway and the internal audit covering Compensation has begun.

Joy Childs updated the Trustees on the projects the IT Team (Operations Group, Development and Line of Business, and Project Management and Business Analysts) continue to work on. She shared an internal and external penetration testing and a social engineering exercise was completed in the Augusta and Portland offices.

Nanette Ardry stated the Legal Department has adopted amendments to the Vendor Management Program policy, implemented an offboarding form, and developed a Vendor Management Practice.

## LITIGATION UPDATE

John Nichols shared there were no updates on the Clopper FOA matter or the O'Bryon case.

## RULEMAKING

**Public Hearings Proposed Amended Rule Chapters 204 and 803 and Repeal Rule Chapter 802**

Nanette Ardry summarized the proposed amendments to Rule Chapter 204 (Waiver of Member Payment Requirement where Caused by Employer Error or Omission); and Rule Chapter 803 (Participating Local District Consolidated Retirement Plan). She summarized the reasons to repeal Rule Chapter 802 (Participating Local Districts; Membership/Part-Time, Seasonal or Temporary Employees).

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

Public comment from Susan Hawes on the proposed amendment to Rule Chapter 204 was given. No public comments were offered on the proposed amendment Rule Chapter 803 or repeal Rule Chapter 802.

Brian Noyes stated written public comments may be submitted until 4:00 p.m. on September 21, 2026.

## ACTUARIAL

### Actuarial Audit Presentation and Report

Rebecca (Becky) Stouffer of Gabriel, Roeder, Smith & Company presented the actuarial audit results to the Trustees. Rebecca answered questions from the Trustees.

### Response to Actuarial Audit Report

Bonnie Rightnour and Greg Reardon of Cheiron stated GRS's recommendations will be reviewed and will consider adjustments in their reporting methods.

## CHIEF EXECUTIVE OFFICER EVALUATION

Brian Noyes reviewed the CEO evaluation process with the Trustees.

## ADJOURNMENT

The meeting adjourned at approximately 1:35 p.m.

10/8/26
Date Approved by the Board

Dr. Rebecca M. Wyke, Chief Executive Officer

Date Signed

# MAINEPERS

# BOARD OF TRUSTEES MEMORANDUM

**TO:** BOARD MEMBERS

**FROM:** BILL BROWN, DIRECTOR, ACTUARIAL AND LEGISLATIVE AFFAIRS

**SUBJECT:** FY 2026 ACTUARIAL VALUATION REPORTS

**DATE:** OCTOBER 1, 2026

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## POLICY REFERENCE

Board Policy 2.2 – Actuarial Soundness and Funding

Board Policy 4.5 – Board/Staff Relations

Board Policy 4.6 – Communication and Support to the Board

Cheiron is completing its annual valuations of the System's defined benefit plans and the Group Life Insurance Program. A final draft of each of these reports, including the State Employee and Teacher Retirement Program, the Legislative Retirement Program, the Judicial Retirement Program, the Participating Local District Consolidated (PLD) Retirement Plan and the Group Life Insurance Program (separate for State-sponsored groups and PLDs), is included with this memo.

Bonnie Rightnour, Greg Reardon and Daniel Rhodes of Cheiron will present the draft valuation reports at the October 8, 2026, meeting and will answer any questions you may have at that time. A copy of their presentation also accompanies this memo. If the Board accepts the reports, they will immediately be finalized.

## RECOMMENDATION

*Accept the FY 2026 Actuarial Reports for the State Employee and Teacher Retirement Program, the Legislative Retirement Program, the Judicial Retirement Program, the PLD Consolidated Retirement Plan and the Group Life Insurance Program (State-sponsored and PLD) as presented.*

CHEIRON

Classic Values, Innovative Advice

# June 30, 2026 Actuarial Valuations

October 8, 2026

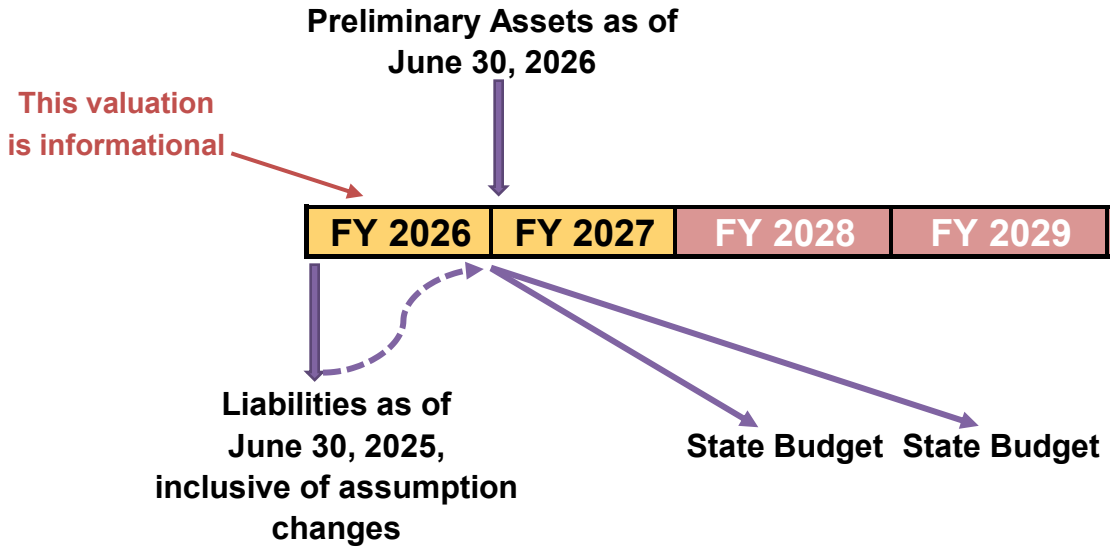
Bonnie Rightnour, FSA, EA, MAAA
Greg Reardon, FSA, EA, MAAA
Daniel J. Rhodes, FSA, MAAA, FCA
Ryan Benitez, ASA, MAAA

# Topics for Discussion

- 2026 Actuarial Valuation
  - Historical Review
  - Valuation Results
- UAL Analysis
- Peer Comparisons
- A Look Ahead
- Retiree Group Life Insurance
- Appendix

# Maine Ratesetting Cycle

## For the State Sponsored Programs




For the Participating Local Districts (PLDs) the 2026 valuation will be used for FY 2028 contributions

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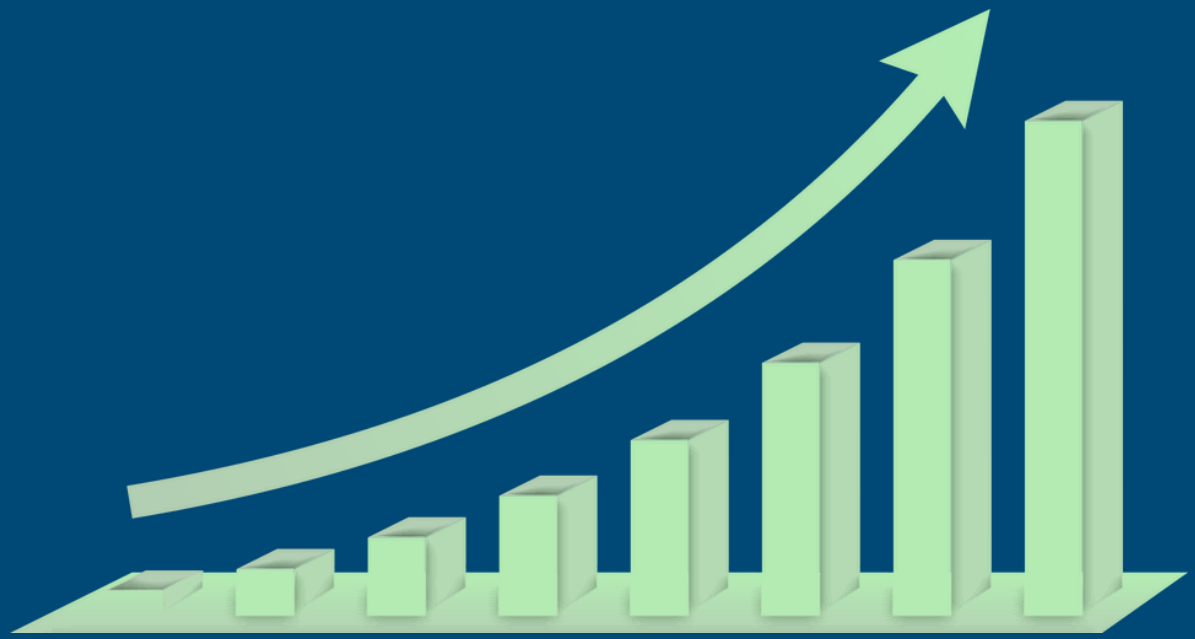
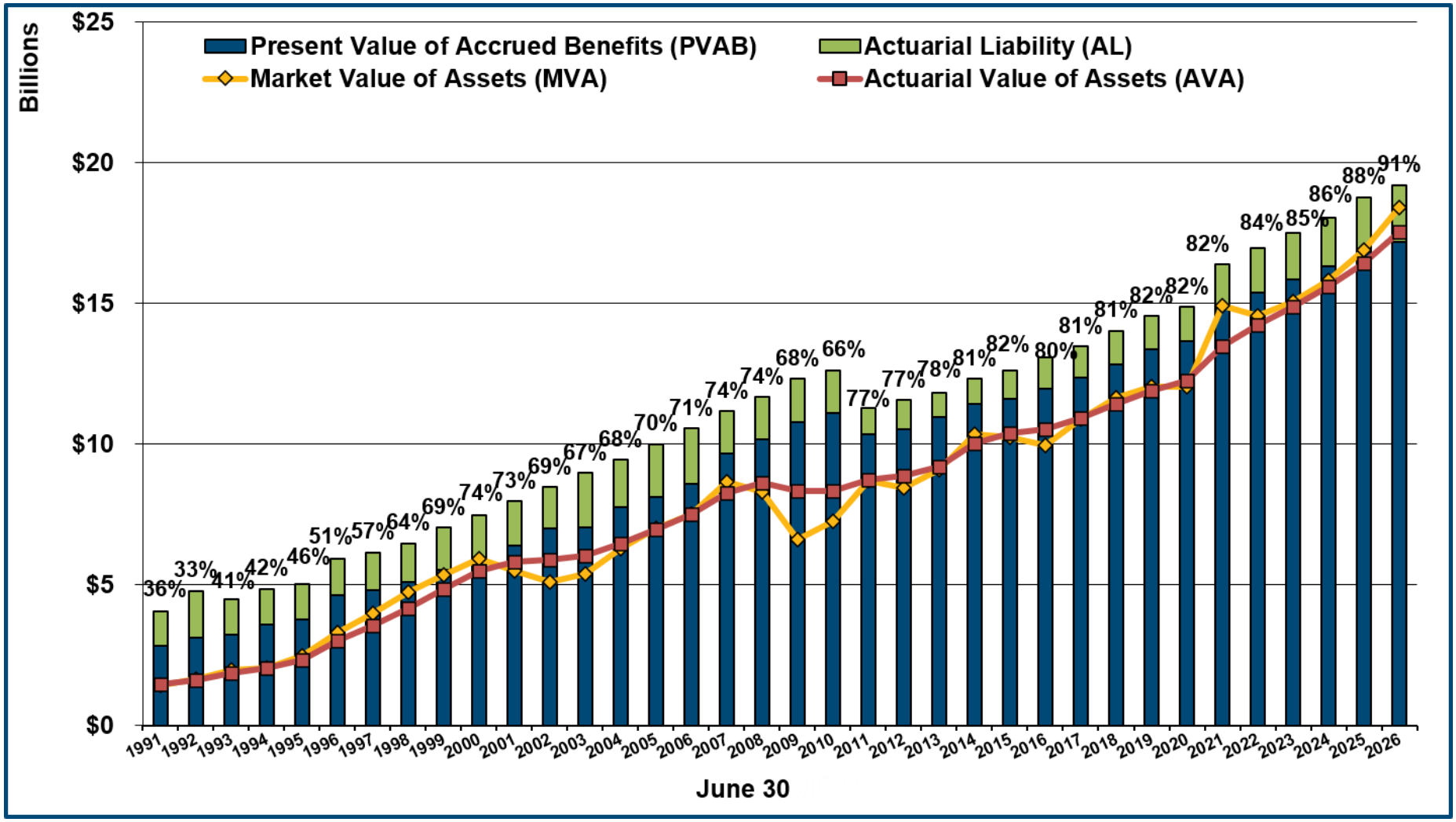
# Historical Review & Valuation Results

## State Employees and Teacher Programs



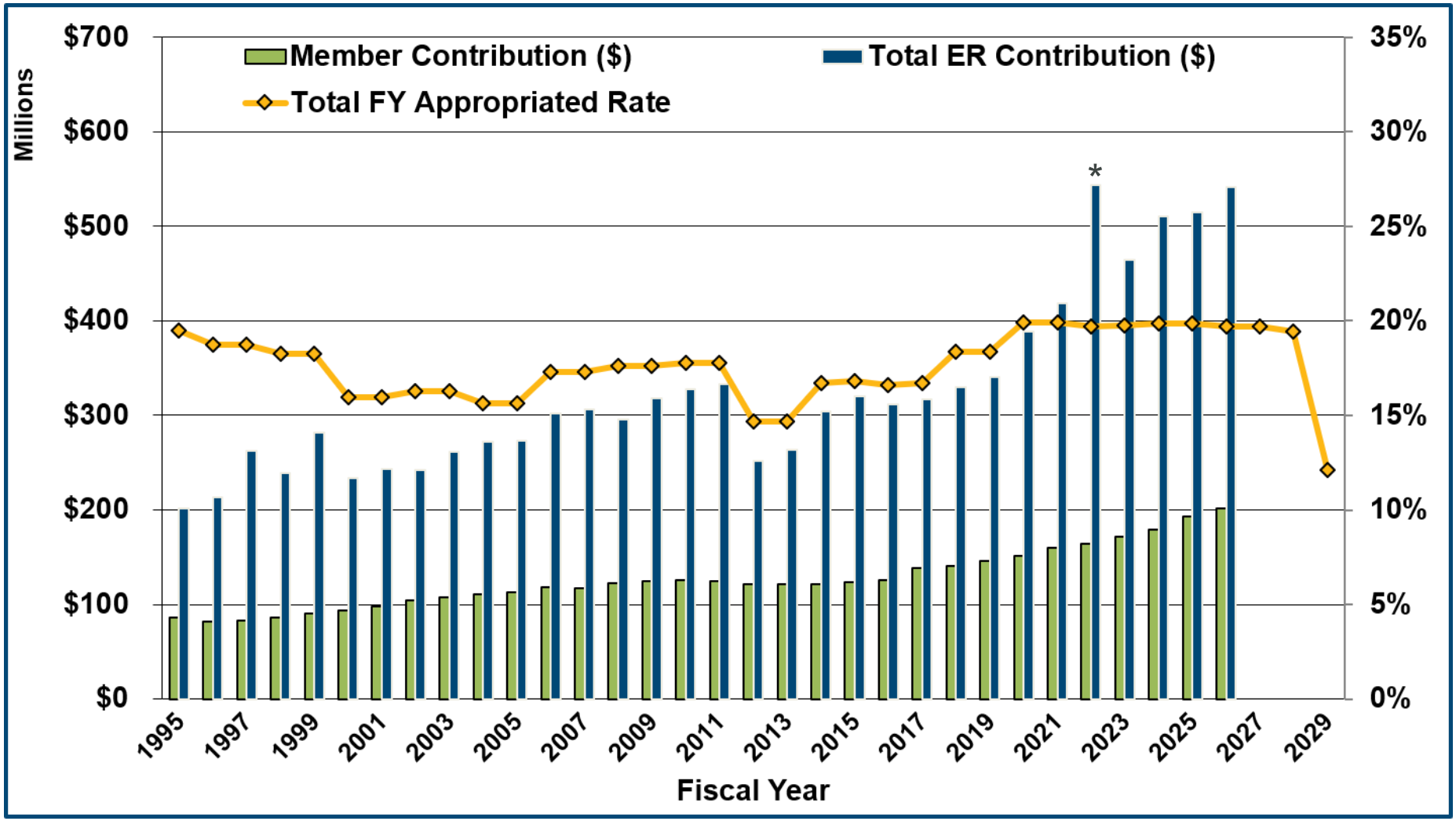
# Strong Funded Status




Percentages shown are funded ratios: AVA ÷ Actuarial Liability

**State Employee and Teacher Only**

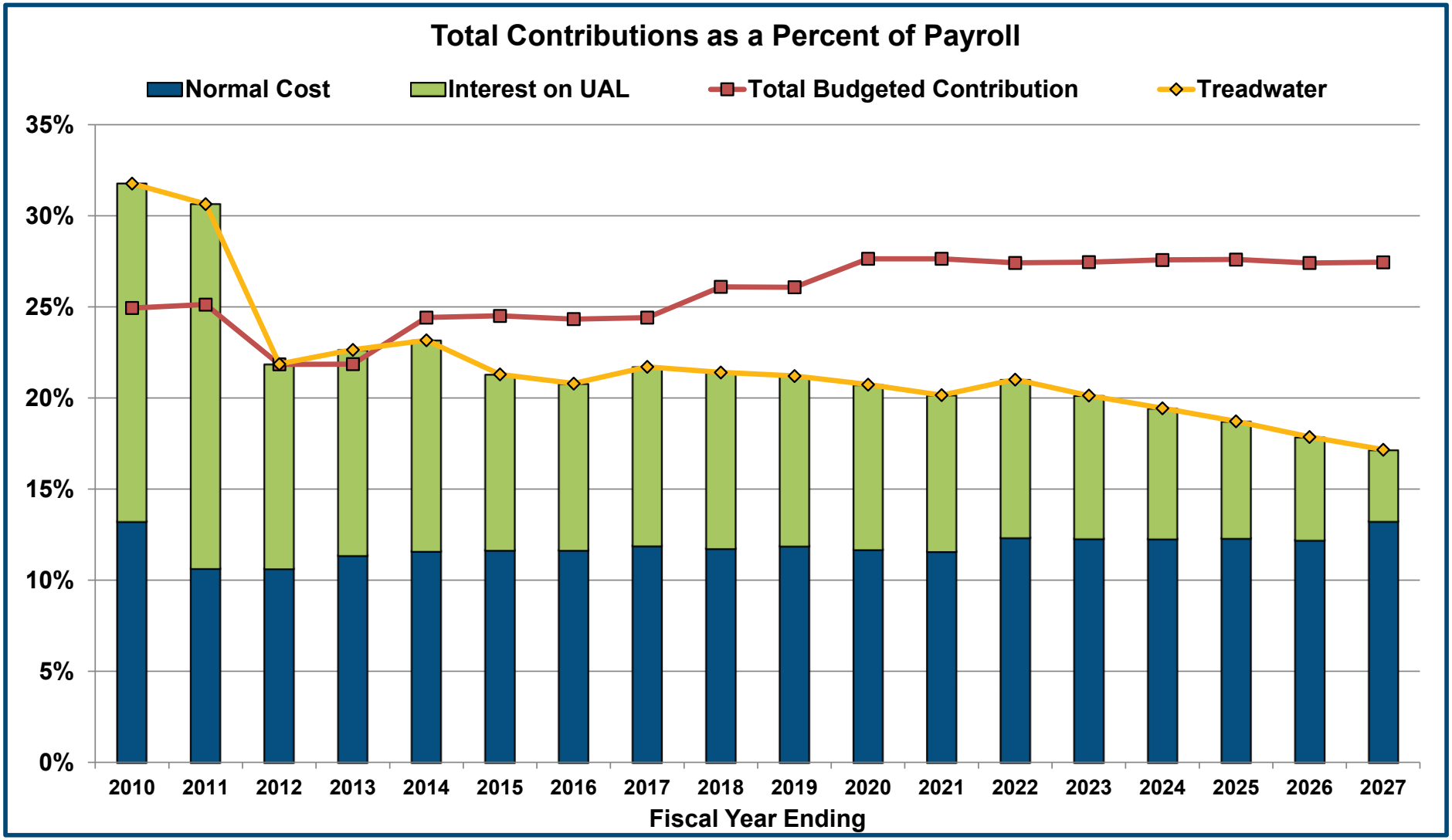
# Stable Contributions as a % of Pay




*** Increase largely due to requirement to fully fund program changes (COLA)**

**State Employee and Teacher Only**

# Contributions Exceeding Treadwater

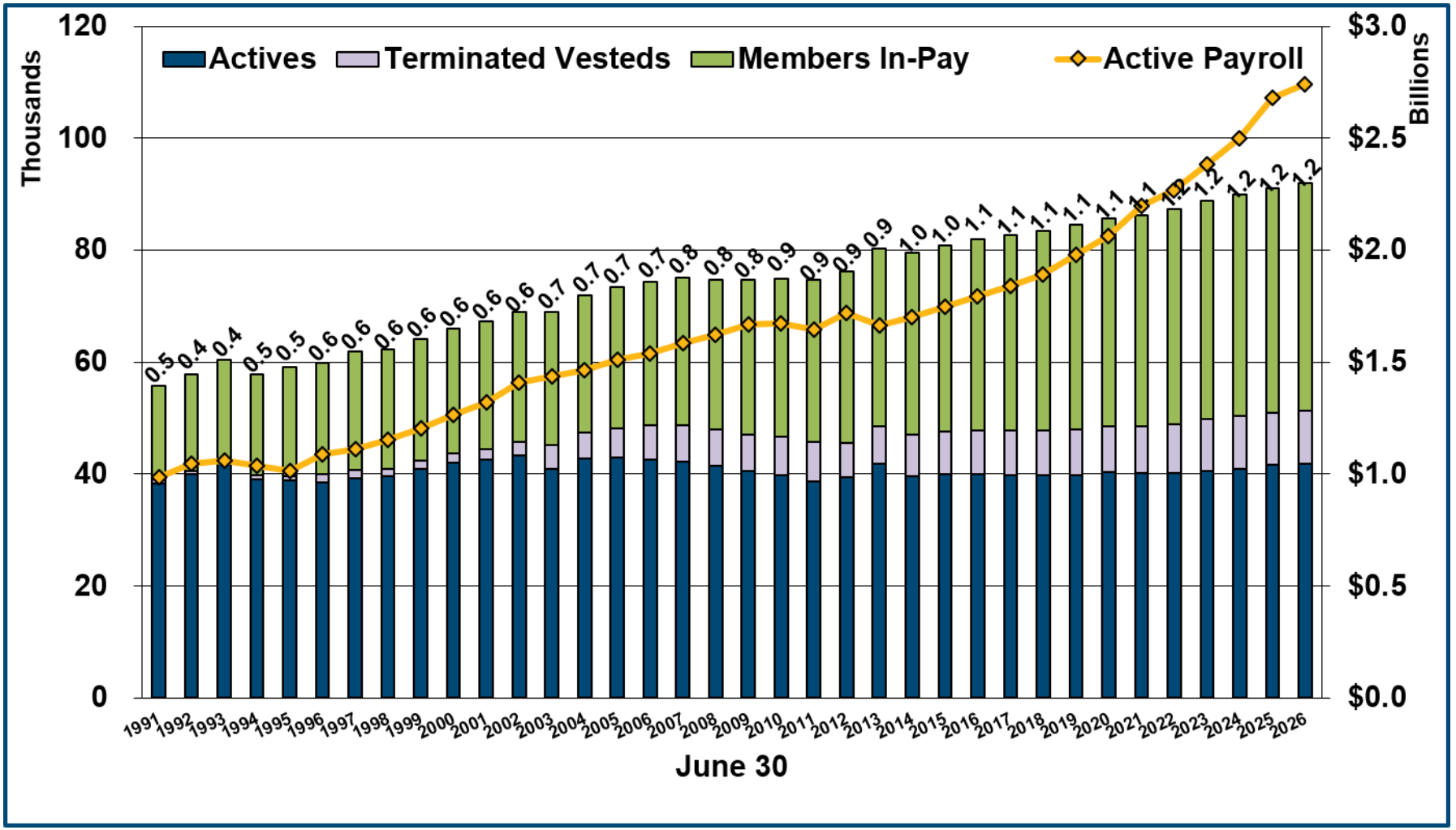



Total Budgeted Contribution includes both employer and employee contribution rates

**State Employee and Teacher Only**

October 8, 2026

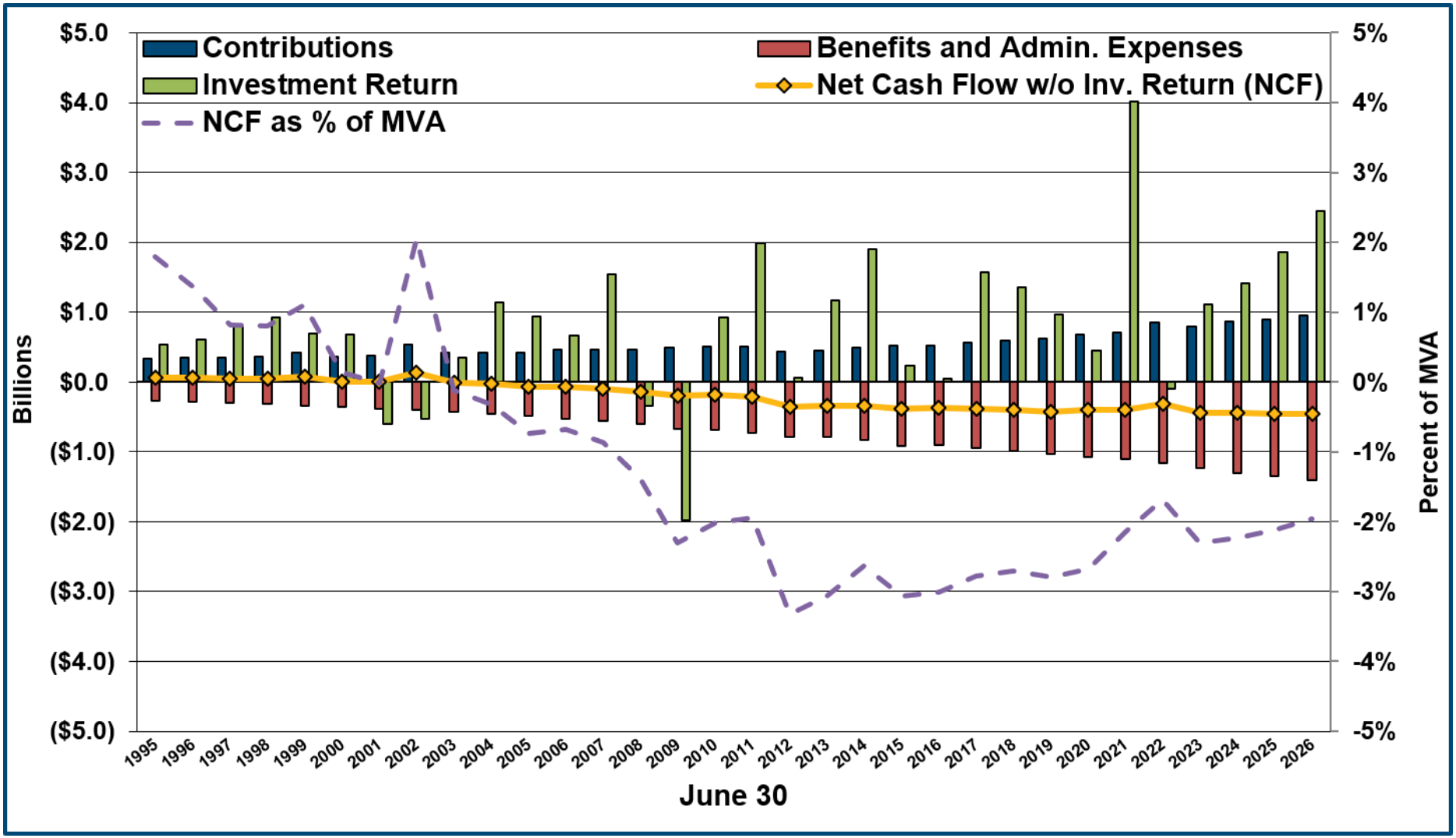
# Increasing Maturity



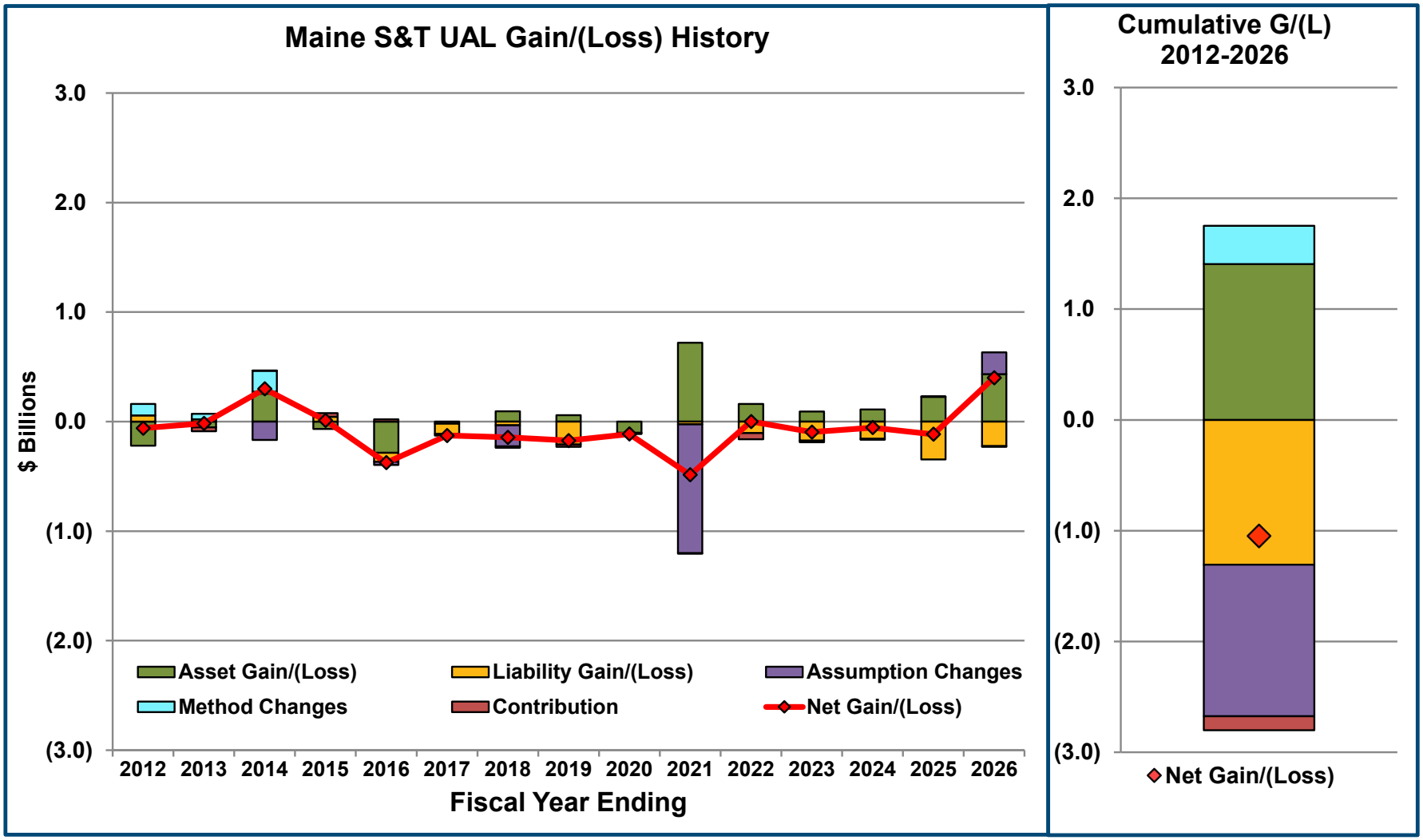

Numbers above the bars represent the ratio of Terminated Vested Members and Members In-Pay to Actives (the support ratio)

**State Employee and Teacher Only**

# Net Cash Flows – All Programs



# Investment Gains Offset Liability Losses




Contribution refers to gain/(loss) due to contribution timing as a result of the biennium budget process

**State Employee and Teacher Only**

October 8, 2026

# State & Teacher – Key Valuation Results

| | Results as of June 30, 2025 Valuation | 2026 Ratesetting | 2026 Valuation | 2025 to 2026 % change |
|---|---|---|---|---|
| **Membership** | | | | |
| Active Members | 41,578 | | 41,795 | 0.5% |
| Payroll ($millions) | $ 2,678 | $ 2,697 | $ 2,739 | 2.3% |
| Average Salary | $ 64,415 | | $ 65,530 | 1.7% |
| In Pay Members | 40,078 | | 40,667 | 1.5% |
| Total Annual Benefits ($millions) | $ 1,054 | $ 1,126 | $ 1,095 | 3.9% |
| Average Annual Benefit | $ 26,291 | | $ 26,920 | 2.4% |
| **Assets and Liabilities ($millions)** | | | | |
| Actuarial Liability (6.50%) | $ 18,770 | $ 19,027 | $ 19,199 | 2.3% |
| Actuarial Value of Assets (AVA) | $ 16,439 | $ 17,440 | $ 17,546 | 6.7% |
| Unfunded Actuarial Liability (UAL) | $ 2,331 | $ 1,587 | $ 1,653 | -29.1% |
| UAL Amortization | $ 414 | $ 393 | $ 397 | -4.1% |
| AVA Funded Ratio | 87.6% | 91.7% | 91.4% | |
| Market Value of Assets (MVA) | $ 16,889 | $ 18,087 | $ 18,412 | 9.0% |
| MVA Funded Ratio | 90.0% | 95.1% | 95.9% | |
| Accrued Liability (6.50%) | $ 16,904 | NC | $ 17,190 | 1.7% |
| Unfunded Accrued (using MVA) | $ 15 | NC | $ (1,222) | -8246.7% |
| Accrued MVA Funded Ratio | 99.9% | NC | 107.1% | |
| LDROM Liability (4.77% to 4.85%) | $ 23,000 | NC | $ 23,200 | 0.9% |
| **Total Contribution Rate** | | | | |
| Normal Cost Rate | 4.50% | 5.53% | 5.52% | |
| UAL Rate | 15.48% | 14.55% | 14.50% | |
| Total Calculated Rate | 19.98% | 20.08% | 20.02% | |

# FY 2026 Experience – State and Teacher

- Investments grew $434 million more than expected
  - Market Return +11.43%
  - Actuarial Smoothed Return +9.17%
- Liabilities grew $224 million more than expected
  - $40 million – actual 2.7% COLA vs. assumed 2.2%
  - $184 million – due to liability experience (mostly salaries)
- Assumption changes decreased liability by $198 million
- UAL declined by $678 million
- Calculated Employer valuation contribution rate increased slightly from 19.98% to 20.02% of payroll
  - Higher normal cost after assumption changes is largely offset by investment gain

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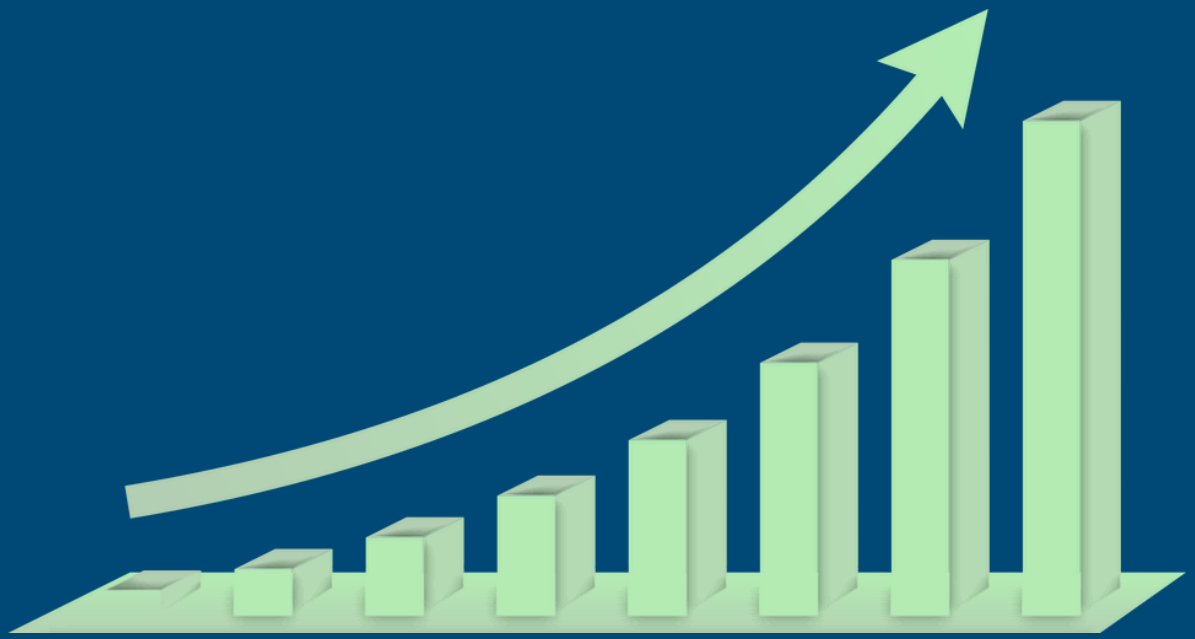
# Valuation Results

## Judicial, Legislative, and PLD Programs



# Judicial – Key Valuation Results

| | Results as of June 30, 2025 Valuation | 2026 Ratesetting | 2026 Valuation | 2025 to 2026 % change |
|---|---|---|---|---|
| **Membership** | | | | |
| Active Members | 64 | | 65 | 1.6% |
| Payroll ($thousands) | $ 10,597 | $ 11,064 | $ 11,263 | 6.3% |
| Average Salary | $ 165,585 | | $ 173,275 | 4.6% |
| In Pay Members | 94 | | 97 | 3.2% |
| Total Annual Benefits ($thousands) | $ 5,727 | $ 6,205 | $ 6,124 | 6.9% |
| Average Annual Benefit | $ 60,927 | | $ 63,135 | 3.6% |
| **Assets and Liabilities ($thousands)** | | | | |
| Actuarial Liability (6.50%) | $ 83,084 | $ 83,491 | $ 85,726 | 3.2% |
| Actuarial Value of Assets (AVA) | $ 90,303 | $ 94,543 | $ 95,134 | 5.3% |
| Unfunded Actuarial Liability (UAL) | $ (7,219) | $ (11,052) | $ (9,408) | 30.3% |
| UAL Amortization | $ (871) | $ (1,333) | $ (1,135) | 30.3% |
| AVA Funded Ratio | 108.7% | 113.2% | 111.0% | |
| Market Value of Assets (MVA) | $ 92,776 | $ 98,052 | $ 99,834 | 7.6% |
| MVA Funded Ratio | 111.7% | 117.4% | 116.5% | |
| Accrued Liability (6.50%) | $ 79,476 | NC | $ 81,230 | 2.2% |
| Unfunded Accrued (using MVA) | $ (13,300) | NC | $ (18,604) | 39.9% |
| Accrued MVA Funded Ratio | 116.7% | NC | 122.9% | |
| LDROM Liability (4.77% to 4.85%) | $ 96,100 | NC | $ 98,600 | 2.6% |
| **Total Contribution Rate** | | | | |
| Normal Cost Rate | 13.21% | 12.14% | 11.66% | |
| UAL Rate (UAL Amort / Payroll) | -8.22% | -12.05% | -10.08% | |
| Total Calculated Rate | 4.99% | 0.09% | 1.58% | |

# Legislative – Key Valuation Results

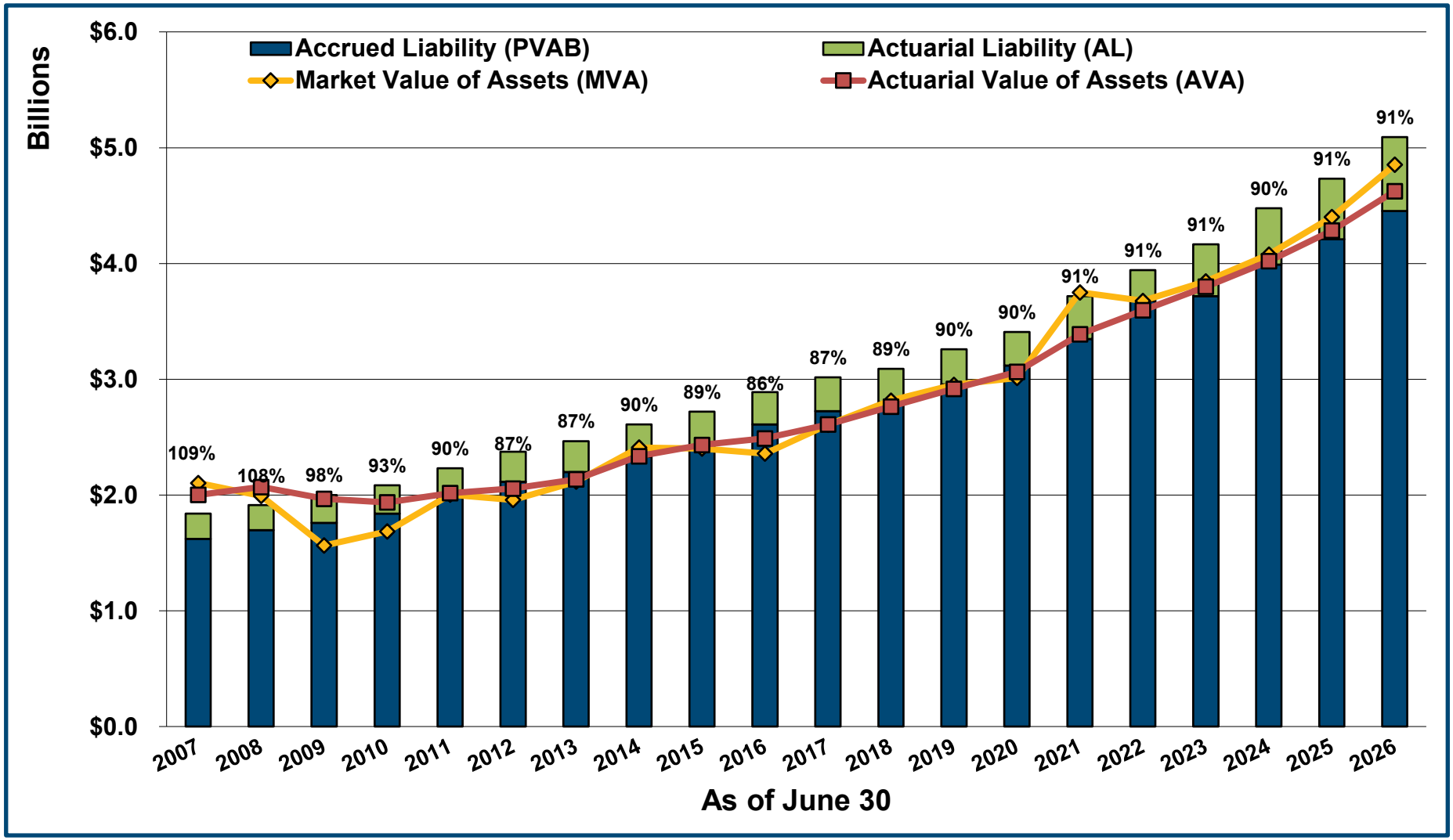
| | Results as of June 30, 2025 | 2026 | 2026 | 2025 to 2026 |
|---|---|---|---|---|
| **Membership** | **Valuation** | **Ratesetting** | **Valuation** | **% change** |
| Active Members | 182 | | 181 | -0.5% |
| Payroll ($thousands) | $ 4,662 | $ 4,882 * | $ 5,549 * | 19.0% |
| Average Salary | $ 25,615 | | $ 30,655 | 19.7% |
| In Pay Members | 234 | | 231 | -1.3% |
| Total Annual Benefits ($thousands) | $ 605 | $ 638 | $ 615 | 1.7% |
| Average Annual Benefit | $ 2,585 | | $ 2,664 | 3.0% |
| **Assets and Liabilities ($thousands)** | | | | |
| Actuarial Liability (6.50%) | $ 13,362 | $ 13,732 | $ 14,269 | 6.8% |
| Actuarial Value of Assets (AVA) | $ 18,161 | $ 19,325 | $ 19,433 | 7.0% |
| Unfunded Actuarial Liability (UAL) | $ (4,799) | $ (5,593) | $ (5,164) | 7.6% |
| UAL Amortization | $ (579) | $ (675) | $ (623) | 7.6% |
| AVA Funded Ratio | 135.9% | 140.7% | 136.2% | |
| Market Value of Assets (MVA) | $ 18,658 | $ 20,043 | $ 20,393 | 9.3% |
| MVA Funded Ratio | 139.6% | 146.0% | 142.9% | |
| Accrued Liability (6.50%) | $ 12,795 | NC | $ 13,578 | 6.1% |
| Unfunded Accrued (using MVA) | $ (5,863) | NC | $ (6,815) | 16.2% |
| Accrued MVA Funded Ratio | 145.8% | NC | 150.2% | |
| LDROM Liability (4.77% to 4.85%) | $ 16,000 | NC | $ 16,900 | 5.6% |
| **Total Contribution Rate** | | | | |
| Normal Cost Rate | 5.74% | 5.20% | 4.99% | Not less than negative NC Rate% |
| UAL Rate (UAL Amort / Payroll) | -5.74% | -5.20% | -4.99% | |
| Total Calculated Rate | 0.00% | 0.00% | 0.00% | |

* Annualized to approximate long-session rate of pay.

# FY 2026 Experience – Judicial & Legislative

- Judicial investment gain of $2.4 million
- Judicial liabilities grew $0.6 million more than expected
- Judicial assumption changes decreased liability by $1.1 million
- Legislative investment gain of $0.5 million
- Legislative liabilities grew $0.7 million more than expected
- Legislative assumption changes decreased liability by $0.6 million
- Net Impact
  - Both Programs remain overfunded
  - Judicial contribution rate decreased from 4.99% to 1.58%
  - Legislative contribution rate remained 0%

# Consol. PLDs – Strong Funded Status

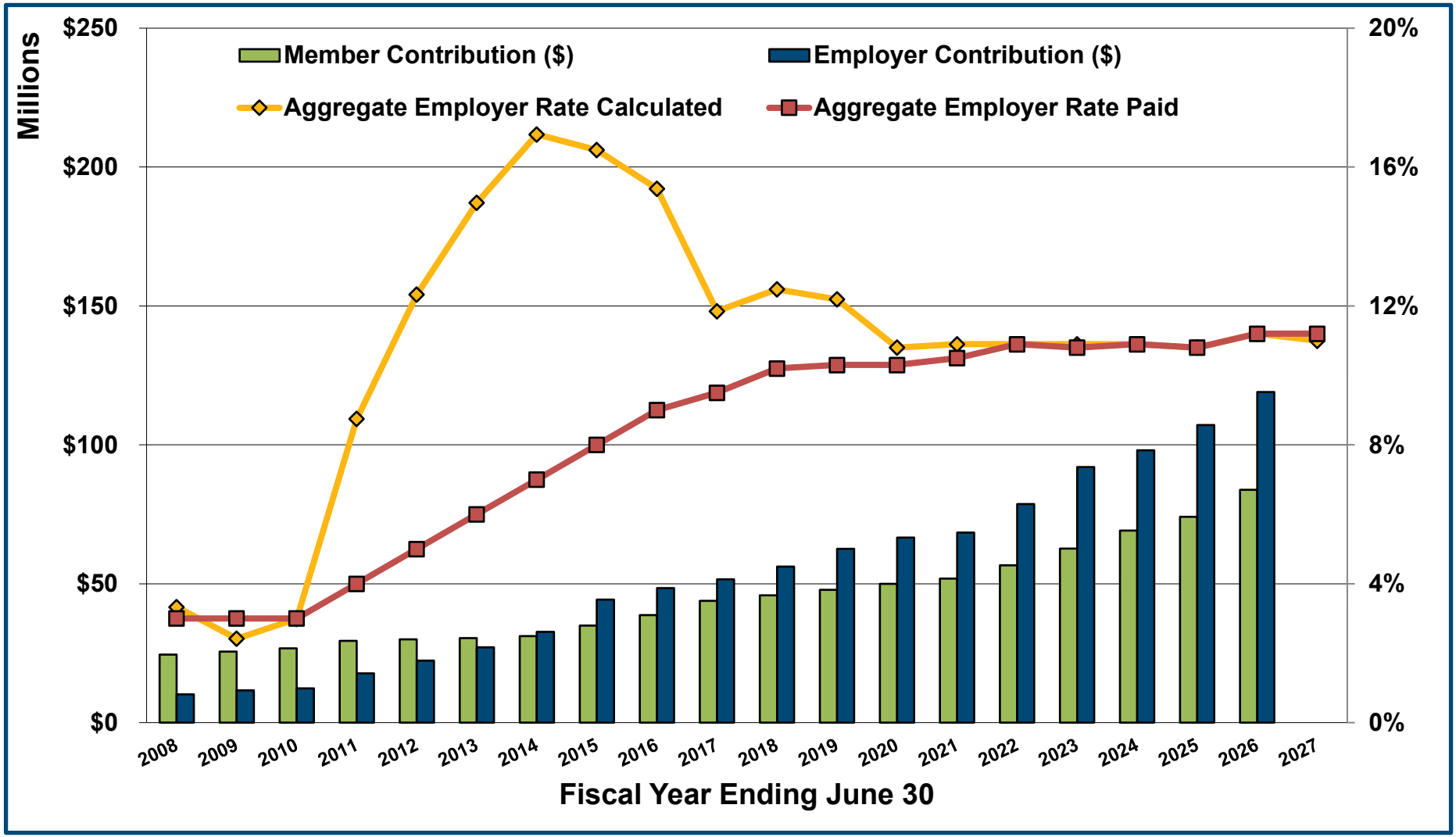



Percentages shown are funded ratios: AVA ÷ Actuarial Liability

**Consolidated PLD Plans Only**

October 8, 2026

# Consol. PLDs – Contributions




**Consolidated PLD Plans Only**

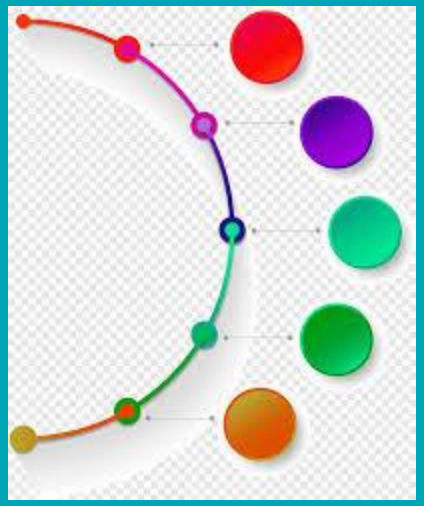
# Consol. PLD – Key Valuation Results

| | Results as of June 30, 2025 | 2026 | 2025 to 2026 |
|---|---|---|---|
| **Membership** | **Valuation** | **Valuation** | **% change** |
| Active Members | 14,066 | 14,474 | 2.9% |
| Payroll ($millions) | $ 996 | $ 1,066 | 7.0% |
| Average Salary | $ 70,790 | $ 73,628 | 4.0% |
| In Pay Members | 11,073 | 11,307 | 2.1% |
| Total Annual Benefits ($millions) | $ 229 | $ 242 | 6.1% |
| Average Annual Benefit | $ 20,643 | $ 21,440 | 3.9% |
| **Assets and Liabilities ($millions)** | | | |
| Actuarial Liability (6.50%) | $ 4,732 | $ 5,091 | 7.6% |
| Actuarial Value of Assets (AVA) | $ 4,284 | $ 4,625 | 8.0% |
| Unfunded Actuarial Liability (UAL) | $ 448 | $ 466 | 4.1% |
| AVA Funded Ratio | 90.5% | 90.8% | |
| Market Value of Assets (MVA) | $ 4,401 | $ 4,853 | 10.3% |
| MVA Funded Ratio | 93.0% | 95.3% | |
| Accrued Liability (6.50%) | $ 4,209 | $ 4,453 | 5.8% |
| Unfunded Accrued (using MVA) | $ (193) | $ (400) | 107.4% |
| Accrued MVA Funded Ratio | 104.6% | 109.0% | |
| LDROM Liability (4.77% to 4.85%) | $ 5,900 | $ 6,300 | 6.8% |
| **Composite Contribution Rate** | **for FY 2027** | **for FY 2028** | |
| Total Normal Cost Rate | 14.3% | 15.1% | |
| UAL Rate | 4.7% | 4.7% | |
| Total Calculated Rate | 19.0% | 19.8% | |
| Final Aggregate Employer Paid | 11.2% | TBD | |
| Final Aggregate Member Paid | 8.1% | TBD | |

# FY 2026 Experience – PLD Consolidated

- Consolidated PLD investment gain of $113.1 million
- Consolidated PLD liabilities grew by $143.7 million more than expected
  - $13.0 million increase due to COLA of 2.5% vs. assumed 1.91%
  - $130.7 million increase due to other liability experience ($75.5 due to salary higher than expected)
- Assumption changes increased liabilities by $19.2 million
- Plan change increased liabilities by $3.0 million
- Net Impact
  - UAL increased by $18.2 million to $466.1 million
  - Calculated Total Contribution Rate is higher by 0.8% of payroll

CHEIRON



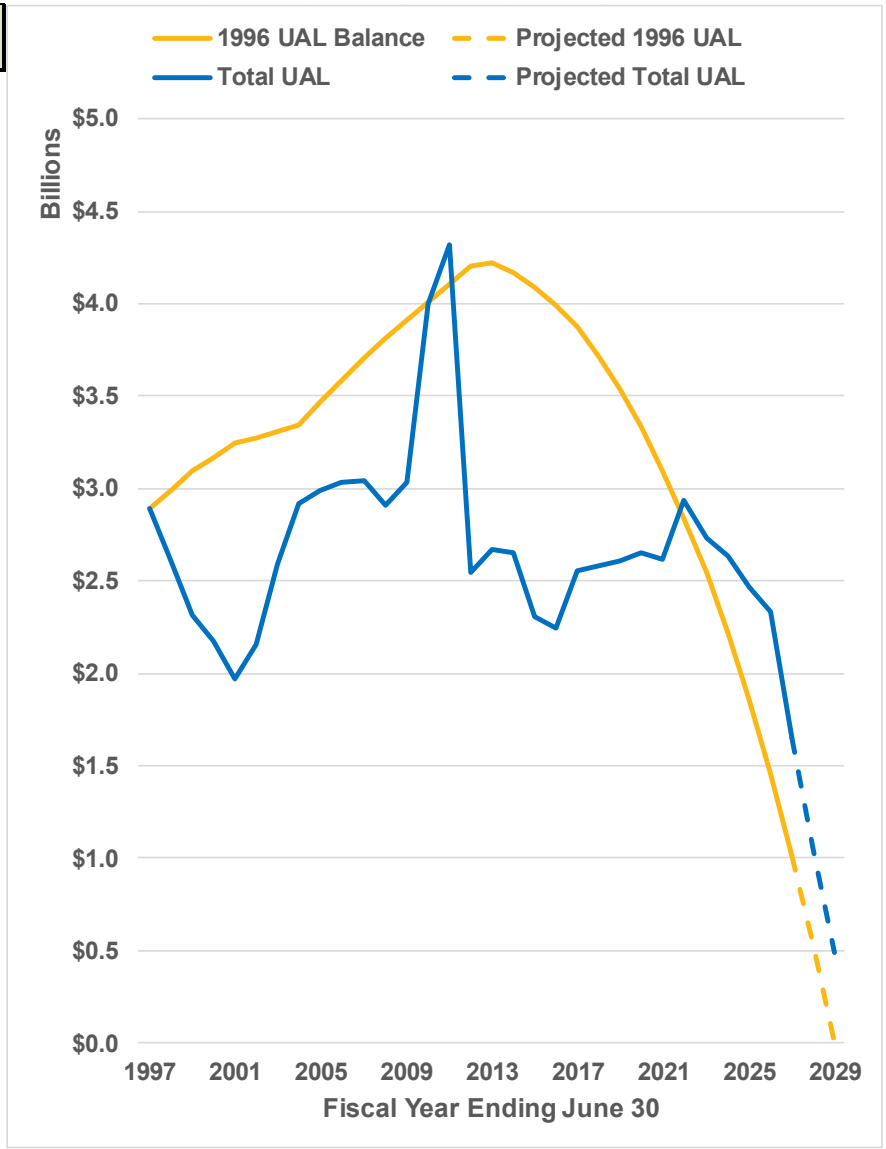
# UAL Analysis

# 1996 UAL Payoff

- Constitutional Amendment requires that the 1996 UAL be paid off in FY 2028
- The UAL is amortized on a level percentage of pay methodology
- In 2011, all UAL bases (1997 through 2011) were merged into a single base to be fully amortized in FY 2028

# Historical and Projected UAL's

| FYE | 1996 UAL Balance | 1996 UAL Payment | Total UAL |
|---|---|---|---|
| 1997 | 2,888,985,772 | 123,965,519 | 2,888,985,772 |
| 1998 | 2,991,275,887 | 130,268,348 | 2,612,058,351 |
| 1999 | 3,095,199,119 | 168,011,907 | 2,316,528,732 |
| 2000 | 3,168,211,953 | 171,975,150 | 2,175,409,960 |
| 2001 | 3,242,947,092 | 217,206,330 | 1,966,194,367 |
| 2002 | 3,276,655,419 | 221,419,138 | 2,157,386,869 |
| 2003 | 3,308,682,335 | 218,375,512 | 2,592,677,039 |
| 2004 | 3,346,434,432 | 143,010,284 | 2,921,320,342 |
| 2005 | 3,465,528,540 | 150,875,849 | 2,989,819,156 |
| 2006 | 3,585,976,041 | 159,174,021 | 3,034,652,581 |
| 2007 | 3,707,435,629 | 178,320,289 | 3,045,982,237 |
| 2008 | 3,809,660,620 | 186,790,503 | 2,912,250,119 |
| 2009 | 3,911,015,737 | 195,663,052 | 3,036,474,882 |
| 2010 | 4,011,015,931 | 204,957,047 | 3,995,268,096 |
| 2011 | 4,109,118,723 | 214,693,269 | 4,315,457,560 |
| 2012 | 4,204,718,019 | 274,642,115 | 2,544,780,065 |
| 2013 | 4,225,136,373 | 352,384,829 | 2,672,576,161 |
| 2014 | 4,166,523,477 | 364,718,298 | 2,652,900,255 |
| 2015 | 4,090,888,412 | 374,661,964 | 2,302,646,777 |
| 2016 | 3,994,584,554 | 387,775,133 | 2,240,734,557 |
| 2017 | 3,877,846,758 | 411,021,472 | 2,557,430,770 |
| 2018 | 3,719,533,222 | 422,324,562 | 2,580,804,291 |
| 2019 | 3,538,650,454 | 431,567,895 | 2,611,201,193 |
| 2020 | 3,331,613,879 | 443,436,012 | 2,652,550,763 |
| 2021 | 3,098,340,210 | 455,630,502 | 2,615,498,824 |
| 2022 | 2,836,721,233 | 464,495,235 | 2,931,481,056 |
| 2023 | 2,541,754,432 | 477,268,854 | 2,733,686,161 |
| 2024 | 2,214,432,563 | 490,393,747 | 2,631,449,101 |
| 2025 | 1,852,290,035 | 503,879,575 | 2,463,913,052 |
| 2026 | 1,452,691,025 | 517,736,263 | 2,331,244,862 |
| 2027 | 1,012,818,139 | 531,974,011 | 1,653,915,457 |
| 2028 | 529,660,324 | 546,603,296 | 1,046,599,457 |
| 2029 | 0 | 0 | 487,154,998 |



# (Gain)/Loss History

| (G)/L Base | Initial Base | 2026 Balance | Methods | Assumptions | Assets | Liabilities | Other* | |
|---|---|---|---|---|---|---|---|---|
| 2012 | $ 59.5 | $ 34.0 | (103.0) | - | 220.1 | (57.6) | 0.0 | EAN Method Change, CRSP applied |
| 2013 | $ 16.5 | $ 10.5 | (50.7) | - | 52.0 | (21.2) | 36.3 | New Data System |
| 2014 | $ (298.8) | $ (104.5) | (192.1) | 167.7 | (255.4) | (17.7) | (1.3) | Asset/Discount Rate Change |
| 2015 | $ (11.0) | $ (1.7) | - | - | 67.5 | (44.6) | (33.9) | |
| 2016 | $ 375.3 | $ 296.5 | - | 30.4 | 284.2 | 81.5 | (20.9) | Exp. Study & Discount Rate |
| 2017 | $ 127.3 | $ 103.8 | - | - | 18.1 | 95.2 | 14.0 | |
| 2018 | $ 143.8 | $ 122.3 | - | 192.0 | (94.3) | 34.2 | 11.9 | Discount Rate |
| 2019 | $ 172.7 | $ 152.3 | - | - | (58.0) | 208.7 | 22.0 | |
| 2020 | $ 113.0 | $ 102.6 | - | - | 103.0 | 0.1 | 9.9 | |
| 2021 | $ 486.0 | $ 452.4 | - | 1,175.9 | (720.1) | 25.6 | 4.6 | Exp. Study, Discount Rate, Audit** |
| 2022 | $ (0.4) | $ (0.4) | - | - | (160.6) | 104.6 | 55.6 | |
| 2023 | $ 95.9 | $ 92.8 | - | - | (92.0) | 174.4 | 13.6 | |
| 2024 | $ 54.7 | $ 53.6 | - | - | (111.0) | 155.8 | 9.9 | |
| 2025 | $ 115.2 | $ 114.3 | - | - | (226.5) | 344.9 | (3.2) | |
| 2026 | $ (401.1) | $ (401.1) | - | (197.8) | (434.4) | 223.7 | 7.4 | Exp. Study |
| | $ 1,048.4 | $ 1,027.3 | $ (345.7) | $ 1,368.2 | $(1,407.4) | $1,307.5 | $125.7 | |

** Other includes timing of contributions, benefit increases, and faster recognition of deferred asset gains*

***Mostly due to Discount Rate and Mortality ($881m), and to a lesser degree ($295m) to changes reflecting Audit findings (COLA timing)*

**EAN = Entry Age Normal**

**CRSP = Contribution Rate Stabilization Pool**

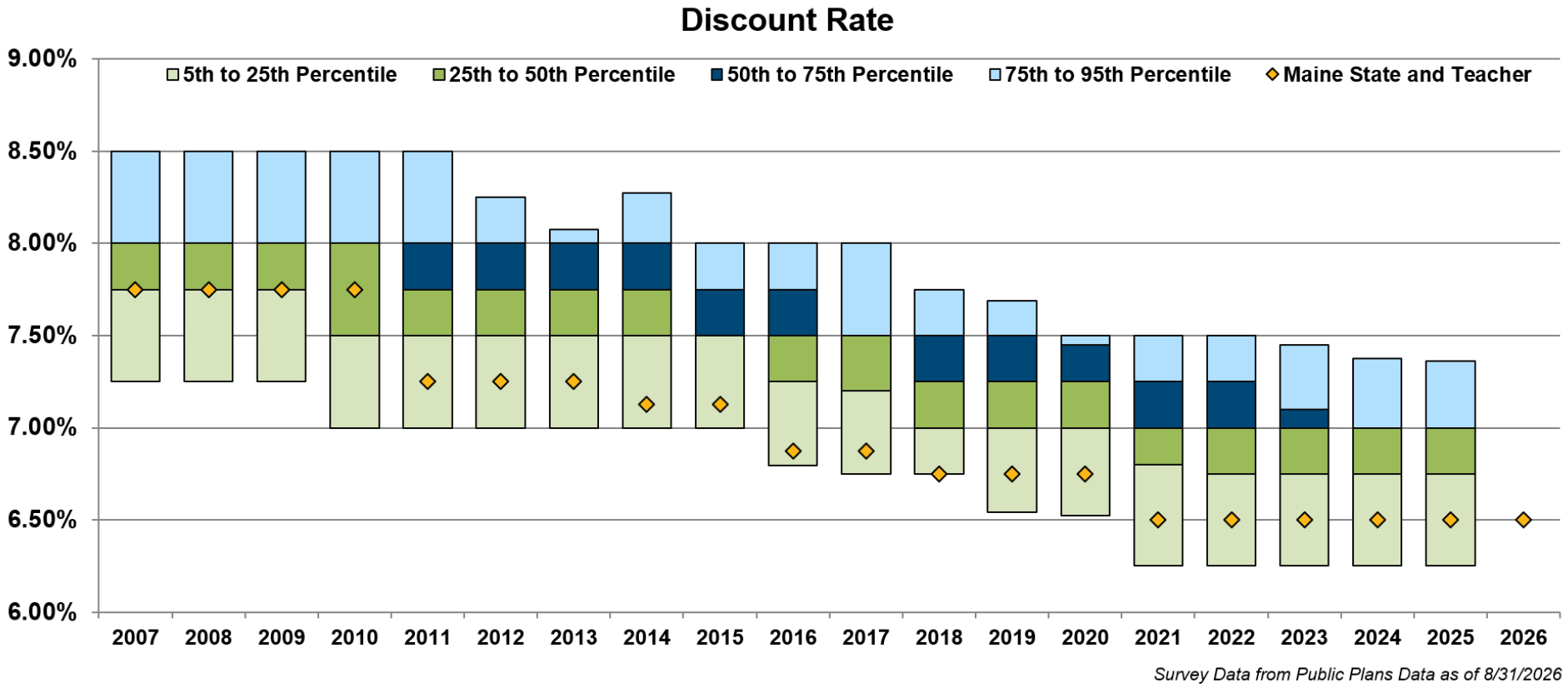
Additional detail can be found in the Appendix.

# Comparisons to Other Public Plans

For purposes of the charts included in this section that compare the Maine State Employee and Teacher Program to this Public Plans database, we have excluded small Plans (defined as those that have less than $1 billion in Actuarial liability).

# Discount rates have trended down

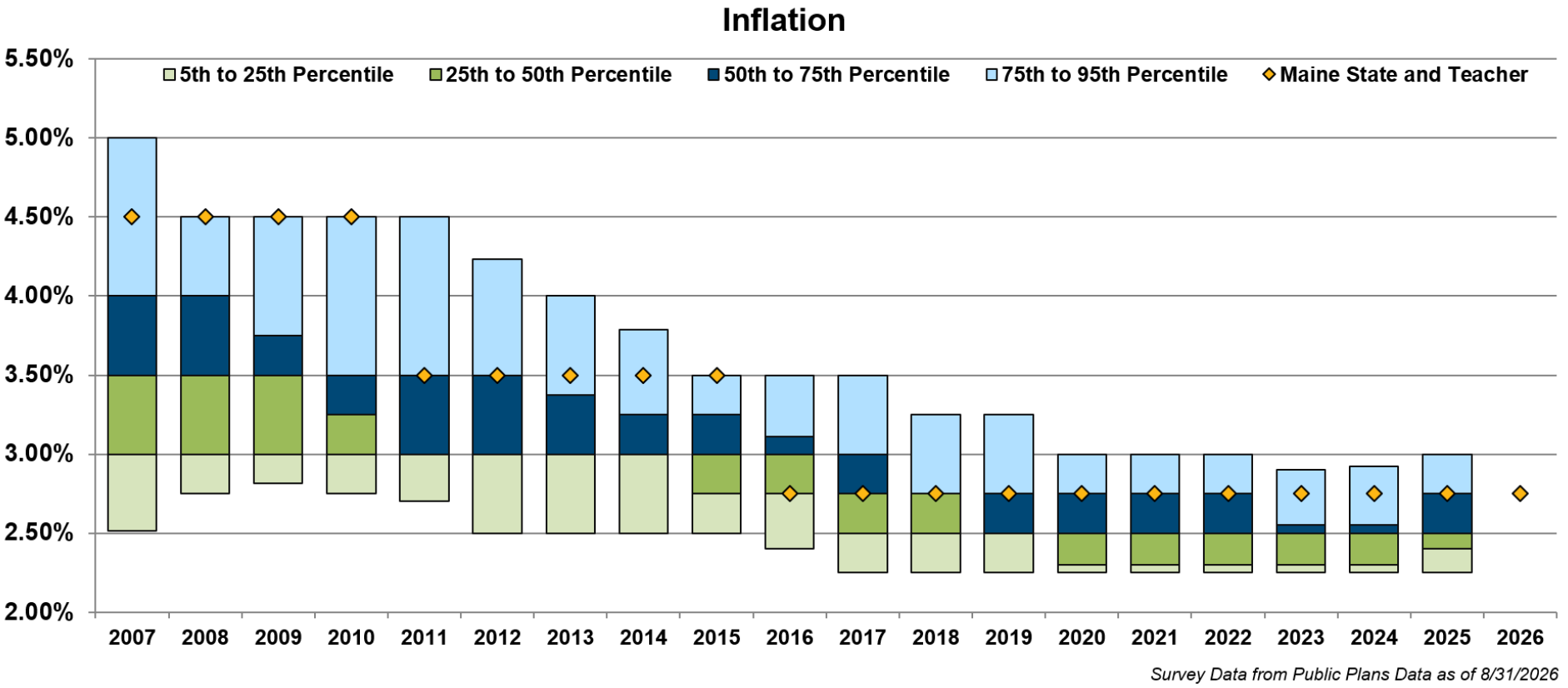
## MainePERS has been consistently ahead of the curve on discount rate selection over the last 20 years




*Survey Data from Public Plans Data as of 8/31/2026*

# Views of inflation have come down

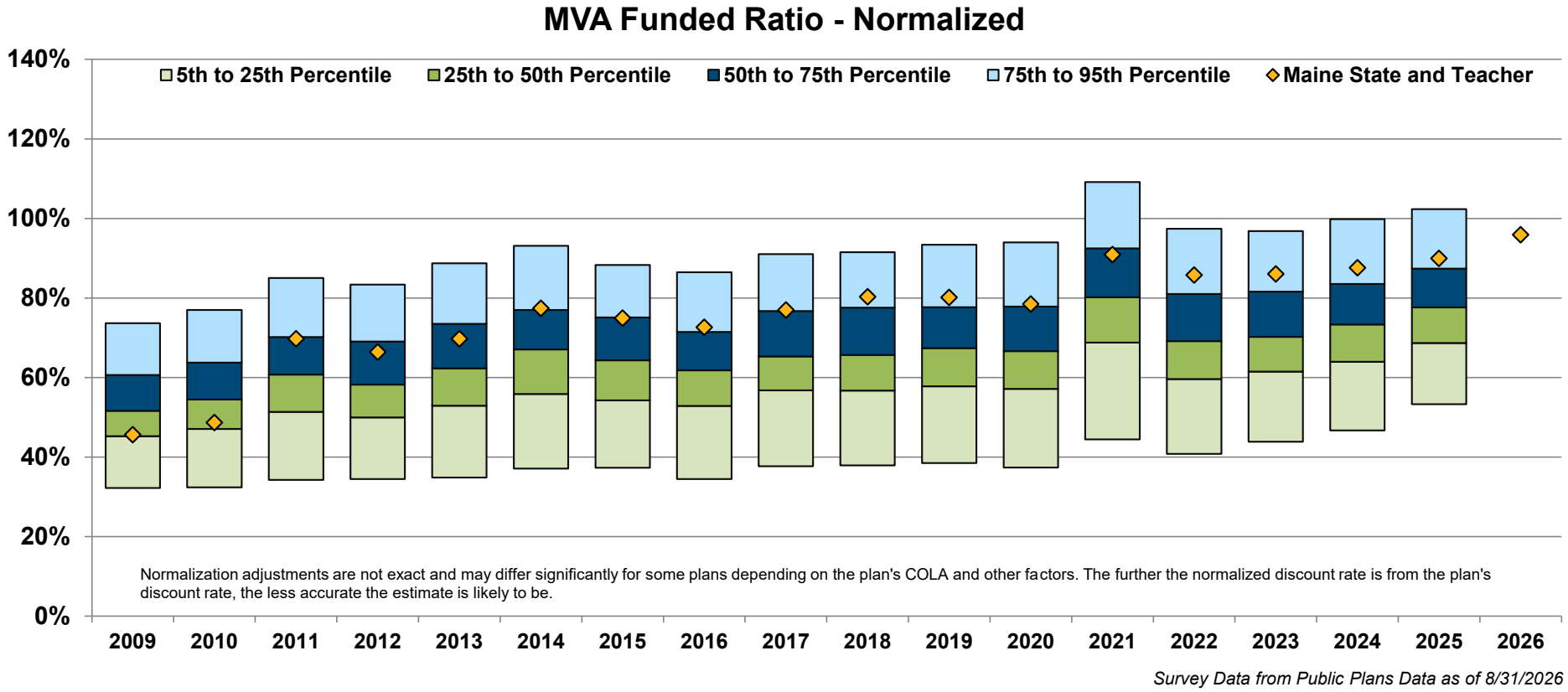
## MainePERS view of inflation has remained higher than most




*Survey Data from Public Plans Data as of 8/31/2026*

# Funded Ratio at Market – All Plans at 6.5%

## MainePERS' funded status has generally been at the 75th percentile of public plans for over a decade




*Survey Data from Public Plans Data as of 8/31/2026*

**State Employee and Teacher Only**

# A Look Ahead

# State and Teacher Baseline Projection

| FYE | Return |
|---|---|
| 2027 | 6.50% |
| 2028 | 6.50% |
| 2029 | 6.50% |
| 2030 | 6.50% |
| 2031 | 6.50% |
| 2032 | 6.50% |
| 2033 | 6.50% |
| 2034 | 6.50% |
| 2035 | 6.50% |
| 2036 | 6.50% |
| 2037 | 6.50% |
| 2038 | 6.50% |
| 2039 | 6.50% |
| 2040 | 6.50% |
| 2041 | 6.50% |
| 2042 | 6.50% |
| 2043 | 6.50% |
| 2044 | 6.50% |
| 2045 | 6.50% |
| 2046 | 6.50% |
| ave= | 6.50% |

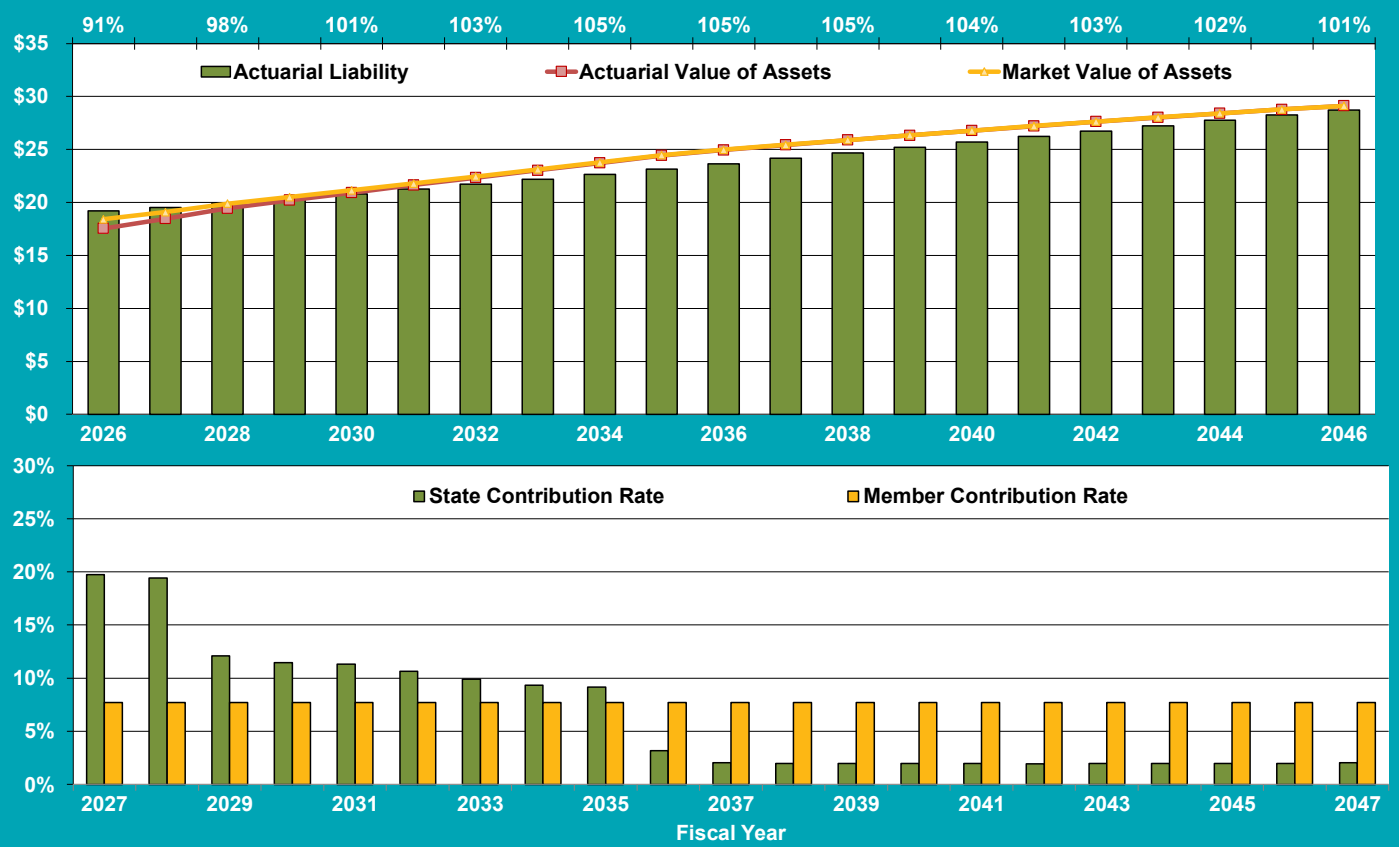
Assumed Returns

Historical Returns

1999

FY 2029 Target Contribution Rate: 12.0%

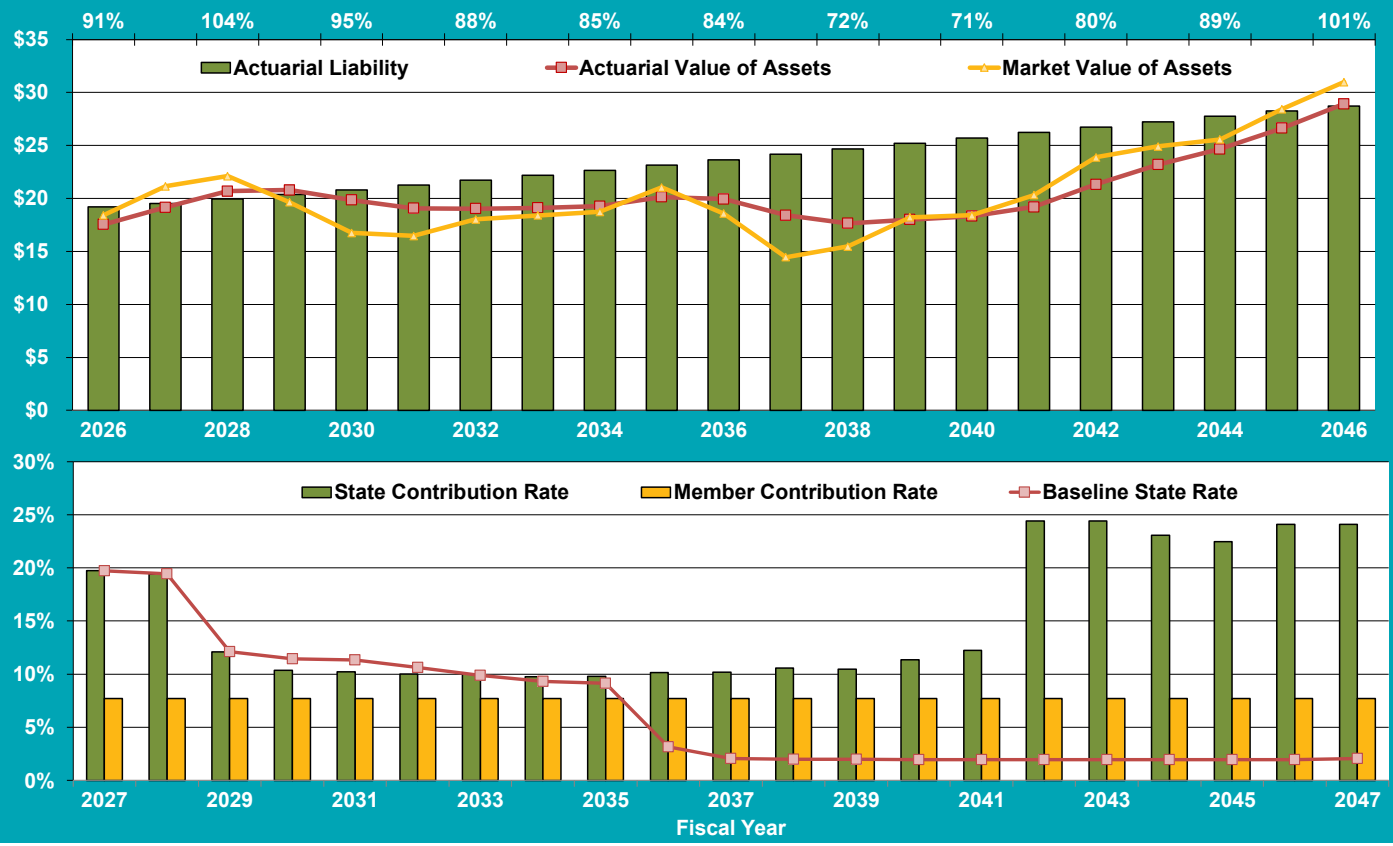
Volatility Corridor: 1.0%



# State and Teacher Volatile Returns

**Assumed Returns** | **Historical Returns** | 1999 | FY 2029 Target Contribution Rate: 12.0% | Volatility Corridor: 1.0%

| FYE | Return |
|---|---|
| 2027 | 17.85% |
| 2028 | 6.58% |
| 2029 | -8.32% |
| 2030 | -11.33% |
| 2031 | 2.79% |
| 2032 | 14.41% |
| 2033 | 6.44% |
| 2034 | 6.27% |
| 2035 | 16.97% |
| 2036 | -8.06% |
| 2037 | -18.15% |
| 2038 | 13.20% |
| 2039 | 24.04% |
| 2040 | 5.95% |
| 2041 | 15.28% |
| 2042 | 19.55% |
| 2043 | 6.03% |
| 2044 | 4.49% |
| 2045 | 13.34% |
| 2046 | 10.68% |
| ave= | 6.32% |



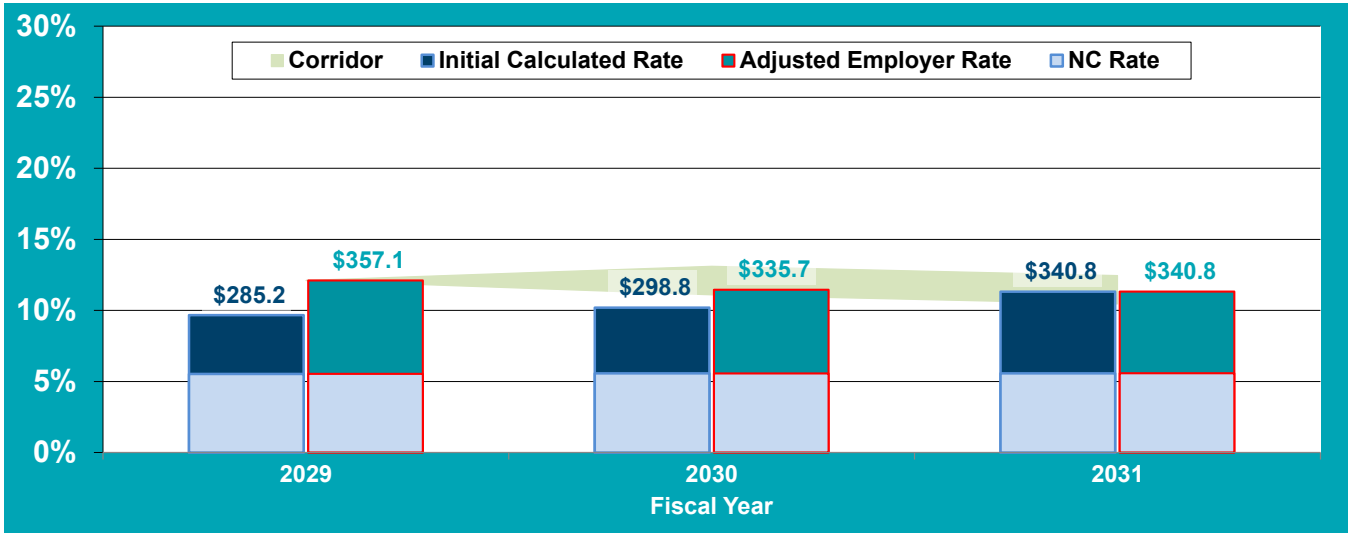
# State and Teacher – Baseline

## Projected FY 2030 / 2031 Employer Rates – State & Teacher Plan

Updated to reflect the June 30, 2026 Valuation Results

Funding Policy Impact for FY 2030 / 2031

- Volatility corridor of 1%
- Results in a 1-year reduction of the UAL loss layers in FY 2030, no change in FY 2031



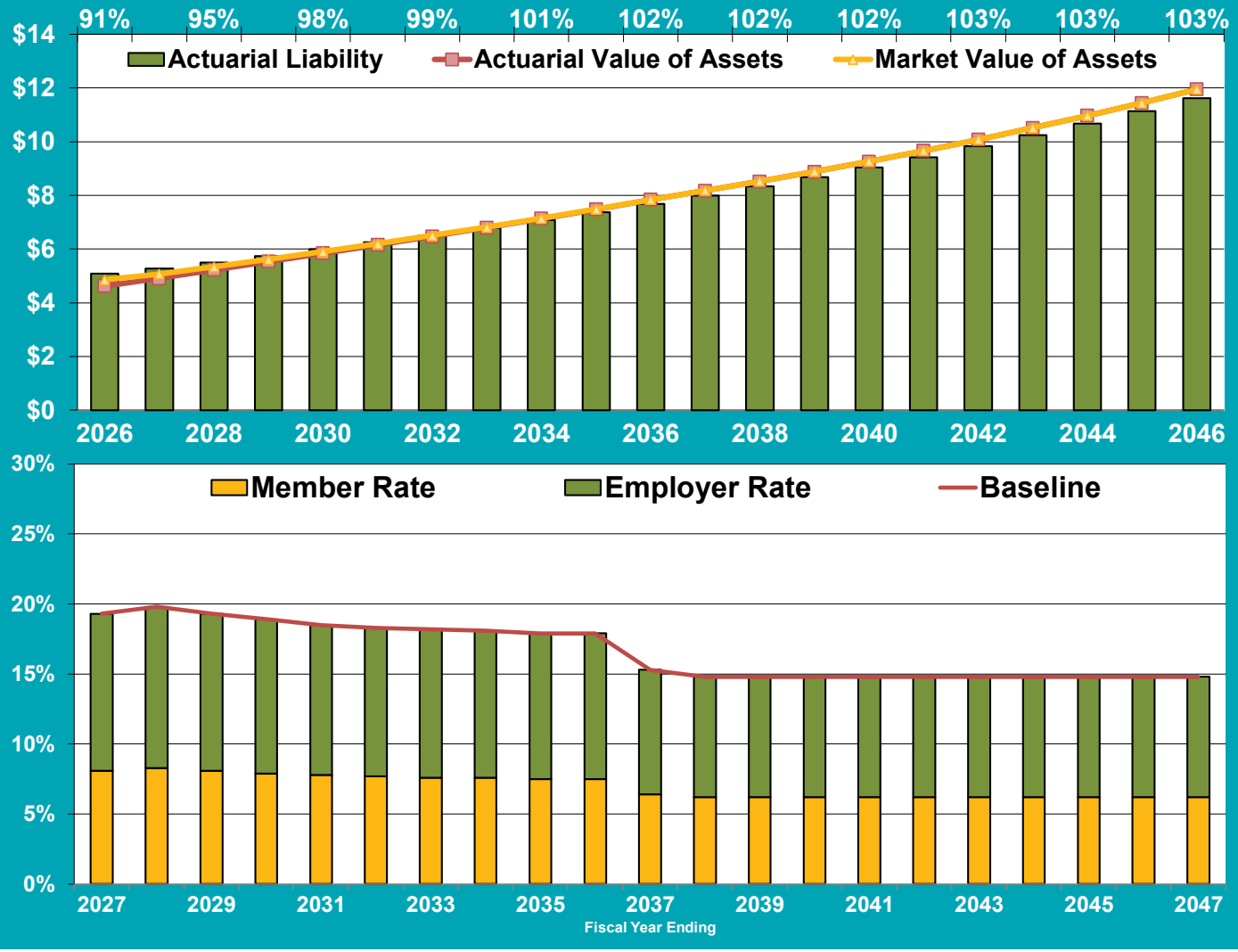

| Policy Rates | FY 2030 | FY 2031 |
|---|---|---|
| NC Rate | 5.56% | 5.57% |
| UAL Rate | 5.89% | 5.74% |
| Total Rate | 11.45% | 11.32% |

# PLD Baseline Projections

| FYE | | Cola Adj |
|---|---|---|
| 2027 | 6.500% | 0% |
| 2028 | 6.500% | 0% |
| 2029 | 6.500% | 0% |
| 2030 | 6.500% | 0% |
| 2031 | 6.500% | 0% |
| 2032 | 6.500% | 0% |
| 2033 | 6.500% | 0% |
| 2034 | 6.500% | 0% |
| 2035 | 6.500% | 0% |
| 2036 | 6.500% | 0% |
| 2037 | 6.500% | 0% |
| 2038 | 6.500% | 0% |
| 2039 | 6.500% | 0% |
| 2040 | 6.500% | 0% |
| 2041 | 6.500% | 0% |
| 2042 | 6.500% | 0% |
| 2043 | 6.500% | 0% |
| 2044 | 6.500% | 0% |
| 2045 | 6.500% | 0% |
| 2046 | 6.500% | 0% |
| ave= | 6.500% | |

Assumed | Historical: 1998

Total Cap: 21.50%
Employer %: 58.00%



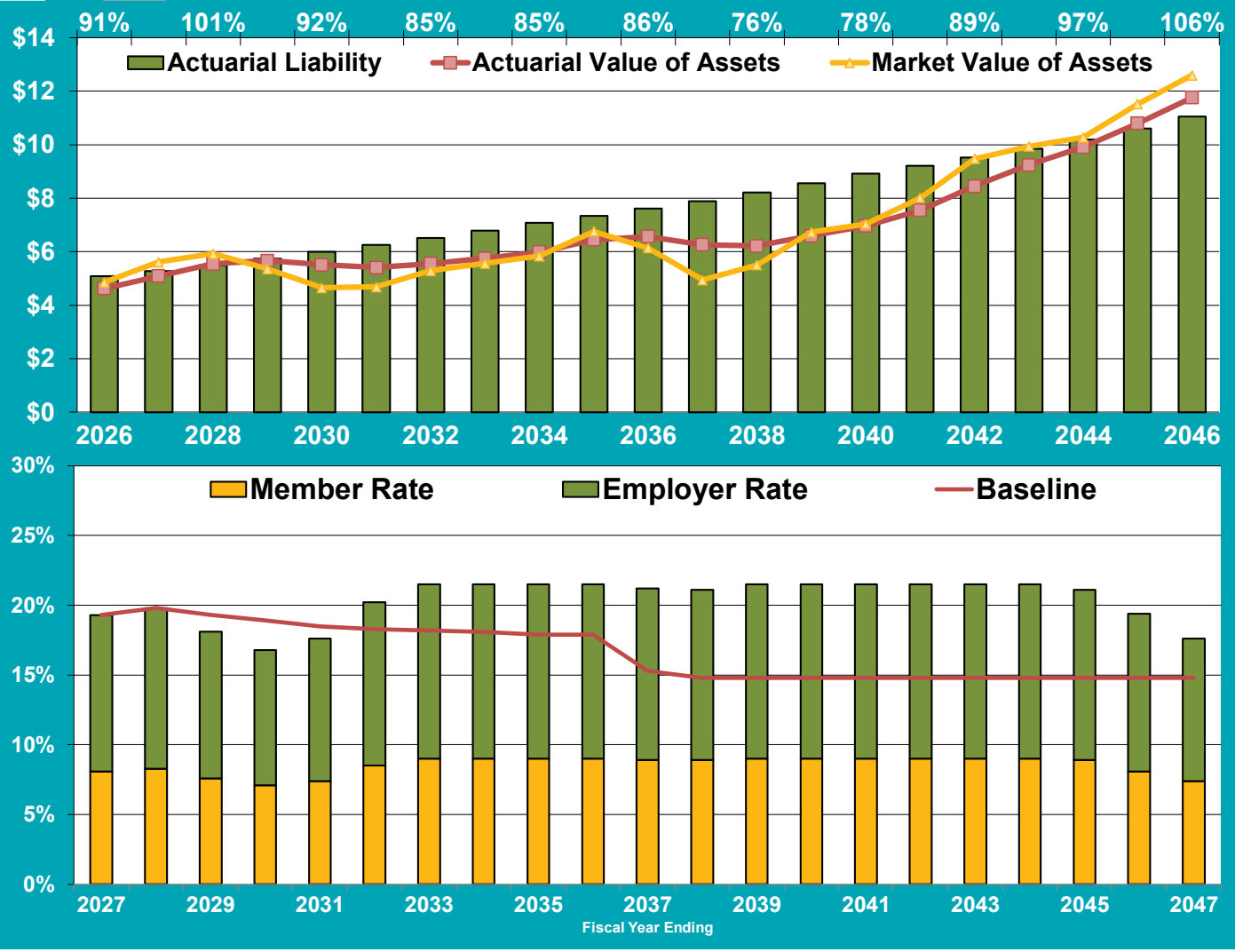

Consolidated Plans Only

# PLD Volatile Returns

| FYE | | Cola Adj |
|---|---|---|
| 2027 | 17.850% | 0% |
| 2028 | 6.578% | 0% |
| 2029 | -8.316% | 0% |
| 2030 | -11.332% | 0% |
| 2031 | 2.791% | 0% |
| 2032 | 14.415% | 0% |
| 2033 | 6.443% | 0% |
| 2034 | 6.271% | 0% |
| 2035 | 16.972% | -31% |
| 2036 | -8.059% | -42% |
| 2037 | -18.149% | -51% |
| 2038 | 13.197% | 0% |
| 2039 | 24.037% | 0% |
| 2040 | 5.955% | 0% |
| 2041 | 15.276% | -82% |
| 2042 | 19.550% | -79% |
| 2043 | 6.032% | -79% |
| 2044 | 4.495% | -63% |
| 2045 | 13.343% | -23% |
| 2046 | 10.681% | 0% |
| ave= | 6.901% | |

Assumed | Historical | 1999

Total Cap 21.50%
Employer % 58.00%




Consolidated Plans Only

# Retiree Group Life Insurance (GLI)

# GLI Key Valuation Results

| | June 30, 2025 | June 30, 2026 | | | | 2025 to 2026 % Change |
|---|---|---|---|---|---|---|
| | Total | State[1] | Teachers | PLD | Total | |
| **Membership[2]** | | | | | | |
| Actives | 32,415 | 12,126 | 15,050 | 5,426 | 32,602 | 0.3% |
| Active Average Age | 47.2 | 47.0 | 46.8 | 48.0 | 47.1 | -0.1% |
| Average Salary | $ 64,024 | $77,177 | $ 66,856 | $71,359 | $71,445 | 5.6% |
| Retirees | 19,799 | 9,179 | 8,345 | 3,127 | 20,651 | 2.1% |
| Retiree Average Age | 74.5 | 74.5 | 75.8 | 73.4 | 74.8 | 0.2% |
| Average Life Insurance Benefit | $ 20,859 | $21,404 | $ 23,057 | $22,178 | $22,189 | 3.1% |
| **Assets and Liabilities*** | | | | | | |
| Discount Rate | 6.50% | 6.50% | 6.50% | 6.50% | | |
| Actuarial Liability | $ 292.8 | $ 141.2 | $ 143.3 | $ 39.1 | $ 323.6 | 10.5% |
| Market Value of Assets (MVA) | $ 214.3 | $ 92.0 | $ 131.6 | $ 30.7 | $ 254.3 | 18.7% |
| Unfunded Actuarial Liability (UAL) | $ 78.5 | $ 49.2 | $ 11.7 | $ 8.4 | $ 69.3 | -11.7% |
| MVA Funded Ratio | 73% | 65% | 92% | 79% | 79% | |

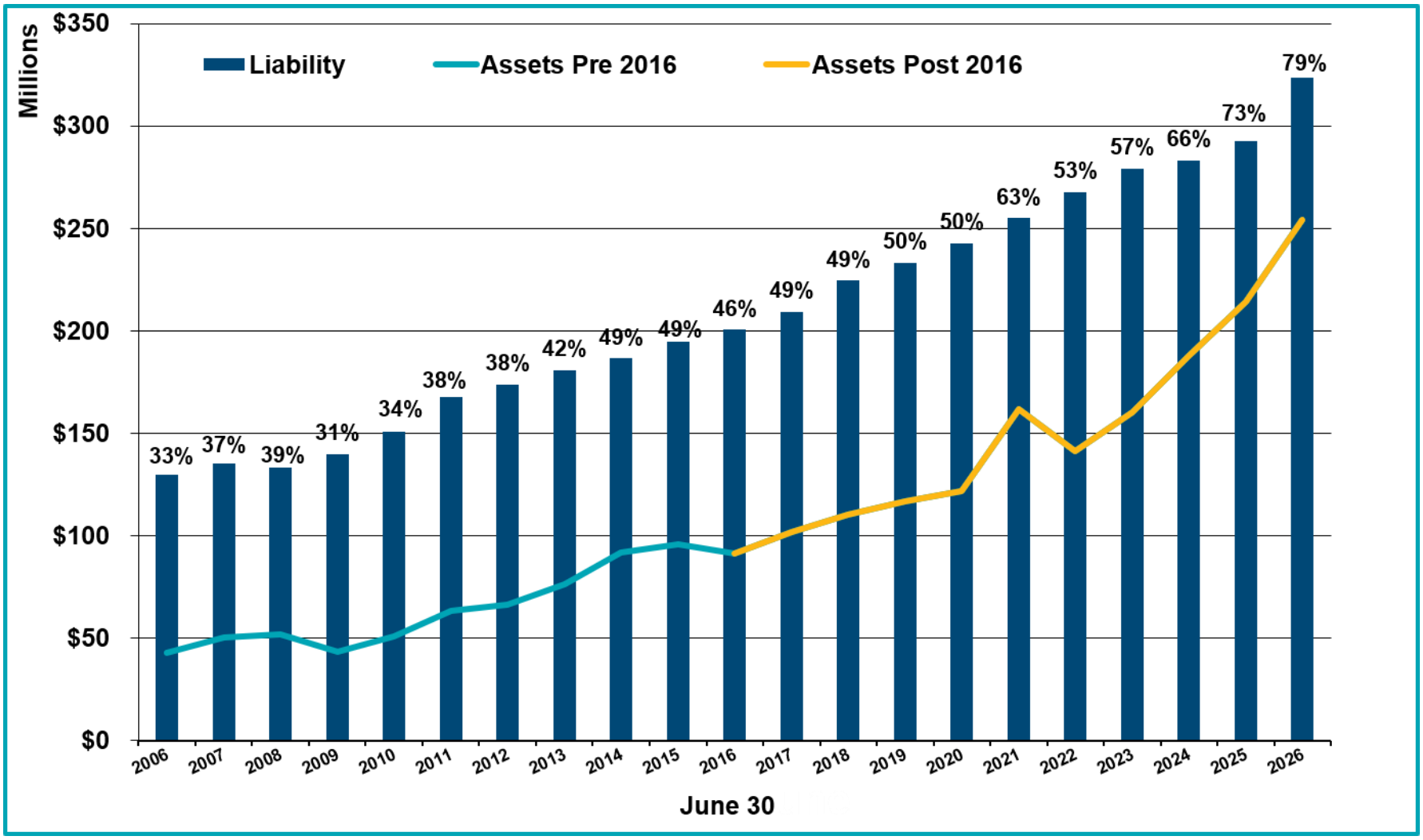
[1] State group includes Judicial and Legislative members, as well as those in the State Employees Program

[2] Valuation as of June 30, 2025 was a roll-forward, so census data is as of June 30, 2024. Changes to membership are shown on an annualized basis.

## Total GLI Experience (State, Teachers, PLD)

- Investments grew $26 million more than expected
- Liabilities grew $20 million more than expected
  - $13 million – due to liability experience (mostly salaries)
  - $7 million – due to updated assumptions
- UAL declined by $9 million
- Results do not include transfer of assets from Retiree to Active Trusts
  - Transfer occurred after June 30

# Historical Review Assets and Liabilities: All




Assets as of 6/30/2016 and later are the amounts allocated to cover only retiree GLI benefits. Assets shown prior to 2016 cover both active and retiree GLI benefits.

# Appendix

# Detailed (Gain)/Loss History

| Valuation Year | Initial (Gain)/Loss Base | 2026 Balance Remaining (Gain)/Loss | Breakdown | Causes |
|---|---|---|---|---|
| 2012 | $ 59.5 | $ 34.0 | $ (103.0) | ($15.6) Liability Method change to Entry Age Normal |
| | | | | ($87.3) Application of Contribution Rate Stabilization Pool |
| | | | $ 220.1 | Asset loss – 4.77% AVA return |
| | | | $ (57.6) | Liability gain |
| | | | $ 0.0 | Budget Timing |
| 2013 | $ 16.5 | $ 10.5 | $ (50.7) | New data system |
| | | | $ 52.0 | Asset loss – 6.76% AVA return |
| | | | $ (21.2) | Liability gain |
| | | | $ 36.3 | Budget Timing |
| 2014 | $ (298.8) | $ (104.5) | $ (192.1) | Asset Method – advanced recognition of gain |
| | | | $ 167.7 | Discount Rate change from 7.25% to 7.125% |
| | | | $ (255.4) | Asset gain – 12.2% AVA return |
| | | | $ (17.7) | Liability gain |
| | | | $ (1.3) | Budget Timing |
| 2015 | $ (11.0) | $ (1.7) | $ 67.5 | Asset loss – 6.45% AVA return |
| | | | $ (44.6) | Liability gain – lower salary increases |
| | | | $ (33.9) | Budget Timing |
| 2016 | $ 375.3 | $ 296.5 | $ 30.4 | $358 Discount Rate change to 6.875% |
| | | | | ($448) Other economic assumption changes (COLA, inflation) |
| | | | | $120 Demographic assumption changes |
| | | | $ 284.2 | Asset loss – 4.42% AVA return |
| | | | $ 81.5 | Liability loss – higher salary increases, retirement experience |
| | | | $ (20.9) | Budget Timing |

# Detailed (Gain)/Loss History

| Valuation Year | Initial (Gain)/Loss Base | 2026 Balance Remaining (Gain)/Loss | Breakdown | Causes |
|---|---|---|---|---|
| 2017 | $ 127.3 | $ 103.8 | $ 18.1 | Asset loss – 6.82% AVA return |
| | | | $ 95.2 | Liability loss – higher COLA, fewer terms, fewer deaths |
| | | | $ 14.0 | Budget Timing |
| 2018 | $ 143.8 | $ 122.3 | $ 192.0 | Discount Rate change to 6.75% |
| | | | $ (94.3) | Asset gain – 7.85% AVA return |
| | | | $ 34.2 | Liability loss – higher salary increases |
| | | | $ 11.9 | Budget Timing |
| 2019 | $ 172.7 | $ 152.3 | $ (58.0) | Asset gain – 7.38% AVA return |
| | | | $ 208.7 | Liability loss – higher salary increases, higher COLA |
| | | | $ 22.0 | Budget Timing |
| 2020 | $ 113.0 | $ 102.6 | $ 103.0 | Asset loss – 5.88% AVA return |
| | | | $ 0.1 | Liability loss – higher salary increases |
| | | | $ 9.9 | Budget Timing |
| 2021 | $ 486.0 | $ 452.4 | $ 1,175.9 | $456 Discount Rate change to 6.50% |
| | | | | $425 All other assumptions – mortality assumption biggest driver |
| | | | | $295 Audit findings |
| | | | $ (720.1) | Asset gain – 12.61% AVA return |
| | | | $ 25.6 | Liability loss – higher salary increases offset by lower COLA |
| | | | $ 4.6 | Budget Timing |

# Detailed (Gain)/Loss History

| Valuation Year | Initial (Gain)/Loss Base | 2026 Balance Remaining (Gain)/Loss | Breakdown | Causes |
|---|---|---|---|---|
| 2022 | $ (0.4) | $ (0.4) | $ (160.6) | Asset gain – 7.70% AVA return |
| | | | $ 104.6 | Liability loss – higher salary increases, higher COLA, fewer terms |
| | | | $ 55.6 | Budget Timing |
| 2023 | $ 95.9 | $ 92.8 | $ (92.0) | Asset gain – 7.15% AVA return |
| | | | $ 174.4 | Liability loss – higher salary increases, higher COLA |
| | | | $ 13.6 | Budget Timing |
| 2024 | $ 54.7 | $ 53.6 | $ (111.0) | Asset gain – 7.26% AVA return |
| | | | $ 155.8 | Liability loss – higher salary increases, higher COLA |
| | | | $ 9.9 | Budget Timing |
| 2025 | $ 115.2 | $ 114.3 | $ (226.5) | Asset gain – 7.96% AVA return |
| | | | $ 344.9 | Liability loss – higher salary increases, higher COLA, fewer terms |
| | | | $ (3.2) | Budget Timing |
| 2026 | $ (401.1) | $ (401.1) | $ (197.8) | Experience Study Assumption Changes |
| | | | $ (434.4) | Asset gain – 9.17% AVA return |
| | | | $ 223.7 | Liability loss – higher salary increases, higher COLA |
| | | | $ 7.4 | Budget Timing |
| Total | $ 1,048.4 | $ 1,027.3 | | |

# Glossary of UAL Changes

- **Asset gains/losses**
  - **An asset gain occurs when the return (on the smoothed asset value) is higher than expected**
  - **An asset loss occurs when the return is lower than expected**
  - *Examples: a return greater than the discount rate of 6.5%; a return lower than the discount rate of 6.5%*
- **Liability gains/losses**
  - **A liability gain occurs when the liabilities are lower than expected**
  - **A liability loss occurs when the liabilities are higher than expected**
  - *Example: long-term assumptions are not met (e.g., mortality, salary increases, etc.)*

# Glossary of UAL Changes

- **Assumption Changes**
  - **Changes in the underlying assumptions used in the valuation of the plan**
  - *Examples: lowering the discount rate; experience study adjustments to mortality, salary increases, etc.*
- **Plan Changes**
  - **Changes in the plan design**
  - *Example: lowering the COLA Cap from 4% to 3%; applying a COLA only to a portion of the benefit (COLA base) Note: The Maine Constitution requires that any benefit increase must be fully funded*
- **Method Changes**
  - **A change in actuarial methods**
  - *Example: a change in the asset smoothing period*

# Required Disclosures

Classic Values, Innovative Advice

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

The actuarial assumptions, data, and methods are those used in the preparation of the latest Actuarial Valuation Report prepared for these plans as of June 30, 2026.

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

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

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

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October 8, 2026

CHEIRON Classic Values, Innovative Advice

# Maine Public Employees Retirement System State Employee and Teacher Retirement Program Actuarial Valuation Report as of June 30, 2026

**Produced by Cheiron**

**October 2026**

DRAFT

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# LETTER OF TRANSMITTAL

September 29, 2026

Board of Trustees
Maine Public Employees Retirement System
PO Box 349
Augusta, Maine 04332-0349

Dear Members of the Board:

We are pleased to submit the June 30, 2026 Actuarial Valuation Report for the State Employee and Teacher Retirement Program (Program) of the Maine Public Employees Retirement System (MainePERS or System).

The purpose of this report is to present the annual actuarial valuation of the State Employee and Teacher Retirement Program (Program) of the Maine Public Employees Retirement System. This report contains information on assets, liabilities, and contributions of the Program, as well as required accounting statement disclosures under the Governmental Accounting Standards Board (GASB) Statement No. 67.

In preparing our report, we relied on information, some oral and some written, supplied by the System's staff. This information includes, but is not limited to, the Plan provisions, employee data, and financial information as of the valuation date. We performed an informal examination of the obvious characteristics of the data for reasonableness and consistency in accordance with Actuarial Standard of Practice No. 23, *Data Quality*.

Future results may differ significantly from the current results presented in this report due to such factors as the following: Program experience differing from that anticipated by the assumptions, changes in assumptions, and changes in Plan provisions or applicable law.

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

This actuarial report was prepared exclusively for MainePERS for the purposes described herein and for the use by the Program auditor in completing an audit related to the matters herein. Other users of this report are not intended users as defined in the Actuarial Standards of Practice, and Cheiron assumes no duty or liability to such other users.

Sincerely,
Cheiron

Bonnie Rightnour, FSA, EA, MAAA
Principal Consulting Actuary

Greg Reardon, FSA, EA, MAAA
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Gene Kalwarski, FSA, EA
Principal Consulting Actuary

cc: Fiona E. Liston, Cheiron
Kathleen Weaver, Cheiron

# FOREWORD

Cheiron has completed the Actuarial Valuation Report for the Maine Public Employees Retirement System (MainePERS or System) State Employee and Teacher Program (Program) as of June 30, 2026. The purpose of this report is to:

1. Measure and disclose, as of the valuation date, the financial condition of the Program,
2. Examine trends, both historical and prospective, in the condition of the Program,
3. Assess and disclose actuarial risks of the Program,
4. Report on the contribution rates developed in this valuation for informational purposes (Note: the actual contributions paid by the employers for fiscal year (FY) 2026 were developed in the budgeting process in July 2024, based on a roll-forward of the June 30, 2023 valuation), and
5. Provide specific information required for MainePERS's financial disclosures.

An actuarial valuation establishes and analyzes assets and liabilities on a consistent basis and tracks the progress of both from one year to the next. It includes measurements of investment performance as well as an analysis of Actuarial Liability gains and losses.

**Section I** presents a summary containing our key findings, disclosing important Program trends in recent years, and providing analysis relating to the future status of the Program.

**Section II** assesses and discloses various actuarial risk measures of the Program.

**Section III** contains details on various asset measures, together with pertinent performance measurements.

**Section IV** shows similar information on liability measures for various purposes, including an analysis of key changes in the measures.

**Section V** develops informational employer contribution rates to be compared to those established during the ratemaking process.

**Section VI** includes financial disclosure information.

Finally, we present appendices containing the following summaries:

- Program membership information at the valuation date (Appendix A),
- Major benefit provisions of the Program (Appendix B),
- Actuarial assumptions and methods used in the current valuation (Appendix C), and
- Terminology used in the Governmental Accounting Standards Board (GASB) disclosures (Appendix D).

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# SECTION I — BOARD SUMMARY

## General Comments

The annual employer contributions to this Program are determined on a biennial basis in even years. The contributions for fiscal year (FY) 2026 and FY 2027 were developed through this ratemaking process in 2024. The assets used in developing these rates were the preliminary June 30, 2024 assets. These were then combined with estimated liability measures as of June 30, 2024, developed as an adjustment (i.e., roll-forward) of the liabilities of the June 30, 2023 actuarial valuation. This adjustment reflected anticipated growth in benefits, reductions due to benefit payouts, and any changes in assumptions or benefits between the June 30, 2023 valuation date and the June 30, 2024 measurement date. Similarly, the contributions for FY 2028 and FY 2029 were developed in July of 2026 based on estimated assets as of June 30, 2026 and estimated June 30, 2026 liabilities based on a roll-forward of the June 30, 2025 actuarial valuation liabilities using the same adjustment methodology described above.

The results of this June 30, 2026 valuation will be used primarily for accounting disclosures. Next year's June 30, 2027 valuation, adjusted to a June 30, 2028 measurement date and combined with preliminary assets as of June 30, 2028, will be used as the basis for the applicable FY 2030 and FY 2031 employer contributions.

In June 2026, the Board adopted changes in the funding policy to establish an initial target total employer contribution rate of 12% for FY 2029 and subsequent changes in the total employer contribution rate to be managed within 1% of payroll year-to-year, where possible. This will be accomplished by adjusting amortization layers, within statutory limits. For FY 2029, all outstanding UAL amortization loss layers will be accelerated by 3 years from their original 20-year schedule. Note that this change does not impact the results of the June 30, 2026 valuation or the informational contribution rates developed herein. The changes to the funding policy are reflected in the projections included in this report.

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# SECTION I — BOARD SUMMARY

## Experience from July 1, 2025 through June 30, 2026 (FY 2026)

With respect to investment experience for the fiscal year ending June 30, 2026, measured on a Market Value of Assets (MVA) basis, MainePERS experienced an investment return of positive 11.43%. The June 30, 2026 MVA is more than the expected Actuarial Value of Assets (AVA) based on the assumed rate of return assumption of 6.50%, producing a gain. Given the asset smoothing method in place, only one-third of that gain is recognized in the AVA. As a result, the AVA investment return for MainePERS was 9.17%. For this Program, when compared to the expected AVA using Program-specific cashflows, this translates to a gain for the year of $434 million. In addition, there was a $0.3 million loss due to less UAL contributions made as a result of the biennium budget process, which will always produce a contribution timing gain or loss (i.e., actual UAL contributions as determined in advance by ratesetting was less than the valuation-calculated amount).

With respect to liability experience for the fiscal year ending June 30, 2026, the Program experienced a net liability loss of $224 million above the expected growth of $393 million (a 1.2% growth in total liabilities beyond expected growth). Of this increase, approximately $40 million was attributable to the payment of cost-of-living adjustments (COLA) exceeding the assumed COLA and approximately $105 million due to salaries being higher than expected. The remaining net loss was attributable to demographic changes (retirements, termination, disability, mortality, etc.) different than expected. This net loss is partially offset by a gain of $198 million attributable to the net effect of assumption changes from the June 30, 2025 Experience Study approved by the Board on March 12, 2026. In addition, there was a plan change from L.D. 210 that resulted in a $3 million increase in liabilities that was funded immediately. Finally, similar to the UAL contribution loss noted in the above paragraph, there was a $7.0 million loss due to actual Normal Cost contributions made that were less than the valuation-calculated amount as a result of the biennium budget process.

For FY 2026, the resulting new Unfunded Actuarial Liability (UAL) amortization base is a net gain of $401 million. This translates to an informational total employer contribution of 20.02% of payroll as of June 30, 2026. This is an increase of 0.04% compared to the June 30, 2025 valuation contribution rate of 19.98% of payroll. The increase is attributable to a higher-than-expected normal cost due to the experience study changes, partially offset by the net gain.

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# SECTION I — BOARD SUMMARY

As of the June 30, 2026 valuation, the Program has a UAL of $1.653 billion based on the AVA. This represents a decrease of $0.678 billion from the $2.331 billion AVA UAL measured as of June 30, 2025. This compares to an expected decrease in the UAL of $0.277 billion. The specific factors contributing to this change are presented in Table I-1 that follows. This table has separate columns showing the components of the changes in liabilities and investments during FY 2026 as well as their combined effect on the UAL.

**Table I-1**
**(Amounts in Billions)**

| | Liabilities | Assets | UAL |
|---|---|---|---|
| Value as of June 30, 2025 | $ 18.770 | $ 16.439 | $ 2.331 |
| Expected Change | 0.393 | 0.670 | (0.277) |
| Impact of Program Changes | 0.003 | 0.003 | 0.000 |
| Impact of Assumption Changes | (0.198) | 0.000 | (0.198) |
| Impact of Contribution Timing | 0.007 | 0.000 | 0.007 |
| Recognized Investment Gain | 0.000 | 0.434 | (0.434) |
| Recognized Liability Loss | 0.224 | 0.000 | 0.224 |
| Value as of June 30, 2026 | $ 19.199 | $ 17.546 | $ 1.653 |

*This table uses the Actuarial Value of Assets. Results would be different if the market value were used.*

*The impact of contribution timing on Assets is a $0.3 million loss, however in this table the amount shown is $0 due to rounding.*

The remainder of this Board Summary summarizes the Program's historical trends, provides baseline projections of the Program's future status, and summarizes the principal results of the valuation. These principal results compare key results between this and last year's valuations for member counts, assets and liabilities, and contribution rates.

## Legislated Changes Effective after June 30, 2026 (FY 2026)

There were plan changes that were signed into law prior to the completion of this valuation, with effective dates after the valuation date. It is our understanding that the census information received for this valuation did not incorporate these changes. In addition, the funds appropriated to cover the increased liability for these changes were not received in FY 2026. Because the funds appropriated are in the amount of the expected increase in the Actuarial Liability that results from these plan changes, there will be no ultimate impact on the Unfunded Actuarial Liability or the Net Pension Liability (GASB 67) of the Program. These changes were reflected in the adjustments for the biennial contribution rates adopted in July 2026 and will be reflected in both the assets and the liabilities in the June 30, 2027 valuation.

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# SECTION I — BOARD SUMMARY

These plan changes include the following:

- Employees of the Office of the Medical Examiner moving from the State Regular Plan to the State 1998 Special Plan, effective July 29, 2026. This results in an increase in the Actuarial Liability of $483,270 and will be funded in FY 2027.
- Employees of the Department of Health and Human Services designated as Community Response Workers moving from the State Regular Plan to the State 1998 Special Plan effective August 1, 2026. This results in an increase in the Actuarial Liability of $1,876,610 and will be funded in FY 2027.
- Employees of the Department of Health and Human Services designated as Nurse I and III, Hospital Nurse II, III, and IV, and Licensed Practical Nurse moving from the State Regular Plan to the State 1998 Special Plan effective October 1, 2026. This results in an increase in the Actuarial Liability of $4,310,037 and will be funded in FY 2027.
- Firefighters in the employ of the Department of Defense, Veterans and Emergency Management from the 1998 Special Plan to the 25 and Out Plan effective October 1, 2026. This results in an increase in the Actuarial Liability of $522,078 and will be funded in FY 2027.

## Trends

It is important to take a step back from the latest results and view them in the context of the Program's history. On the next few pages, we present a series of graphs that display key historical trends relating to the Program's condition. In addition to considering the past, examining future possible trajectories of the Program is also vital to understanding the current results. Baseline projections are provided in this Board Summary, and the potential variability of these results is explored further in the risk section of this report.

### Assets and Liabilities

The following graph illustrates the progress of assets and liabilities for the Program since June 30, 2007 as well as the Program's funded ratio on an Actuarial Value of Assets (AVA) basis.

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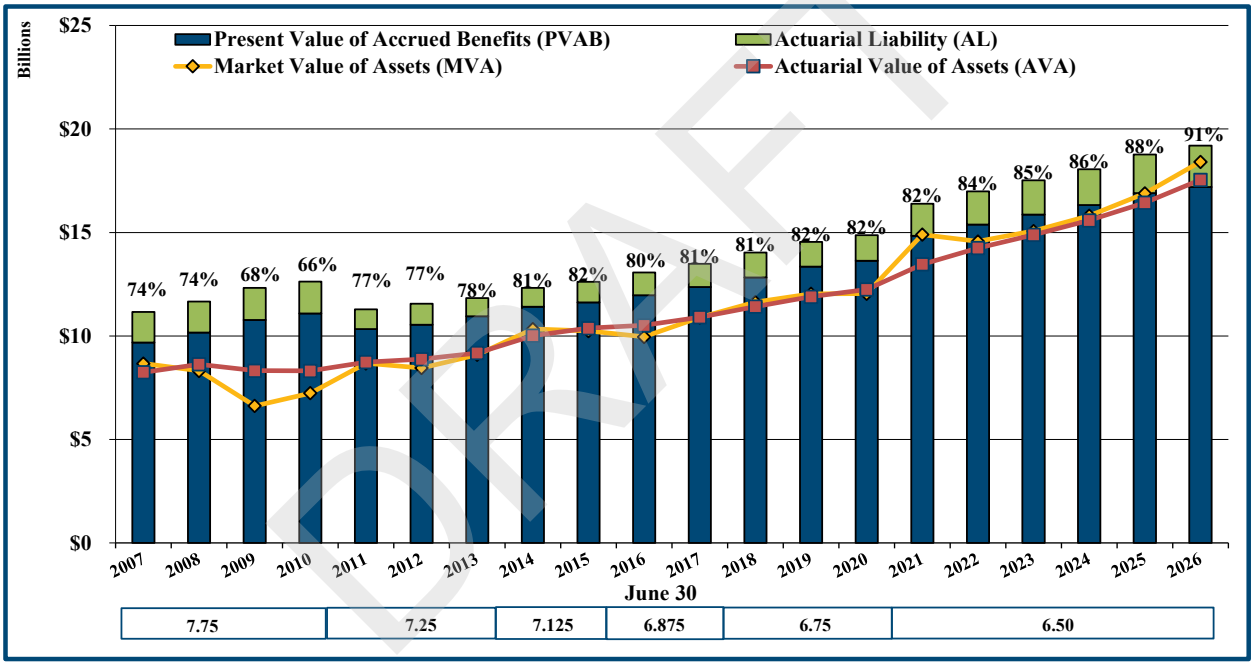
MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM STATE EMPLOYEE AND TEACHER RETIREMENT PROGRAM
ACTUARIAL VALUATION AS OF JUNE 30, 2026

# SECTION I — BOARD SUMMARY

Liability measures are shown as bars as of June 30 of the indicated years. The Actuarial Liability (AL), the liability measure used for the Program's funding purposes, is represented by the top of the green bars. The blue bars represent the Present Value of Accrued Benefits (PVAB). These liability measures are discussed further in Section IV. Measures of the assets are shown as lines. The AVA is shown with a red line, while the Market Value of Assets (MVA) is shown as a gold line. The AVA divided by the AL is the AVA funded ratio that is often used in evaluating the Program's funded status. The value of this metric at each valuation date is shown as the percentages in the graph labels. The values shown below the dates are the discount rates in effect for each year and should be read as percentages, i.e., 7.75 represents a 7.75% discount rate.




Plan changes that reduced liabilities were legislated during 2010 and first reflected in the 2011 valuation, resulting in the change in liability seen for that year. As of June 30, 2026, the Program's AVA-based funded ratio is 91.4%, which represents an increase from the 87.6% ratio reported in the prior valuation. Measured on an MVA basis, the funded ratio is 95.9% as of June 30, 2026, also an increase over last year's 90.0% MVA funded ratio.

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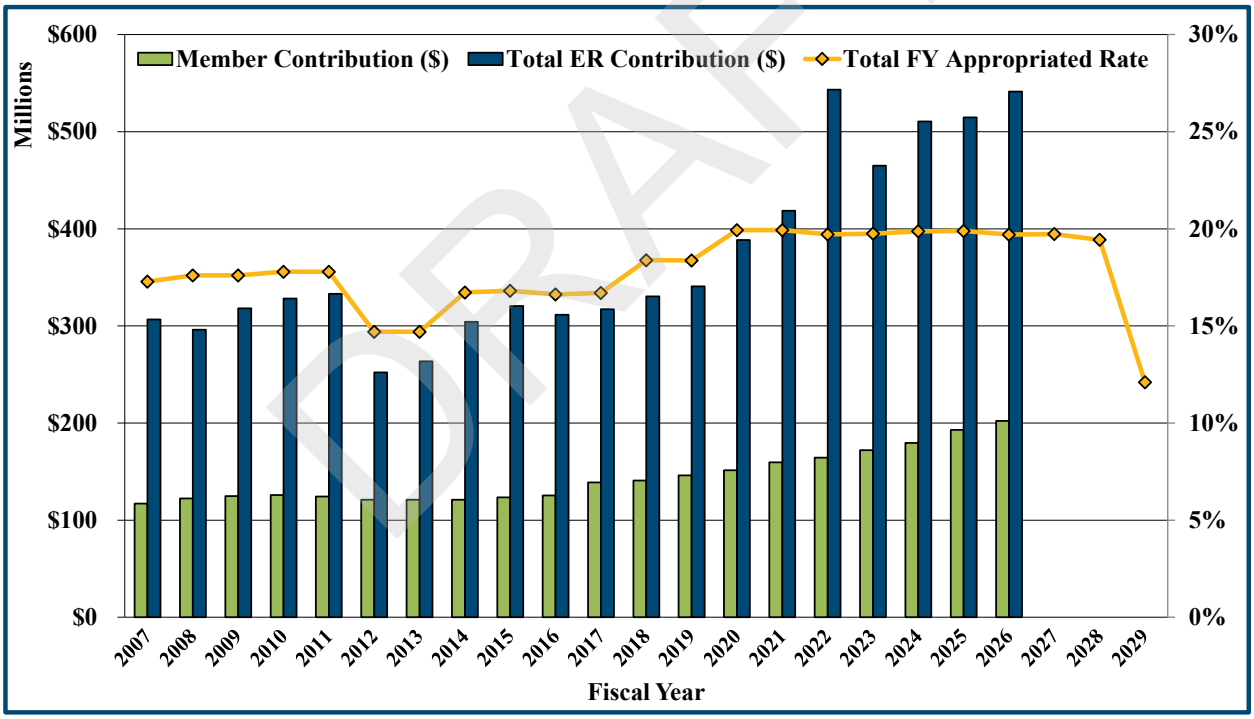
MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM STATE EMPLOYEE AND TEACHER RETIREMENT PROGRAM
ACTUARIAL VALUATION AS OF JUNE 30, 2026

# SECTION I — BOARD SUMMARY

## CONTRIBUTIONS

The next graph shows the history of contributions to the Program, both as dollar amounts and as percentages of payroll. The bars in this graph show the contributions made by both the employers and the members in dollar terms for each fiscal year (FY) since 2007. These bars are read using the left-hand axis. The gold line shows the total appropriated employer contribution rate for the applicable FY as a percentage of payroll and references the right-hand axis. These rates are those determined by the ratemaking process rather than the informational rates determined in the annual valuations. The FY 2027 through FY 2029 contribution rates have already been determined based on the ratemaking process, so three additional years of the contribution rate are shown versus dollars received. The total employer contribution for FY 2026 includes $3.0 million for a plan change in FY 2026.




The member contribution rates are set by statute, based on the Plan within the Program in which each member participates. The total employer contribution rate is set by the ratemaking process on a biennial basis. The contribution rate for FY 2026 was based on a roll-forward of the June 30, 2023 valuation to June 30, 2024, as previously described in this Board Summary.

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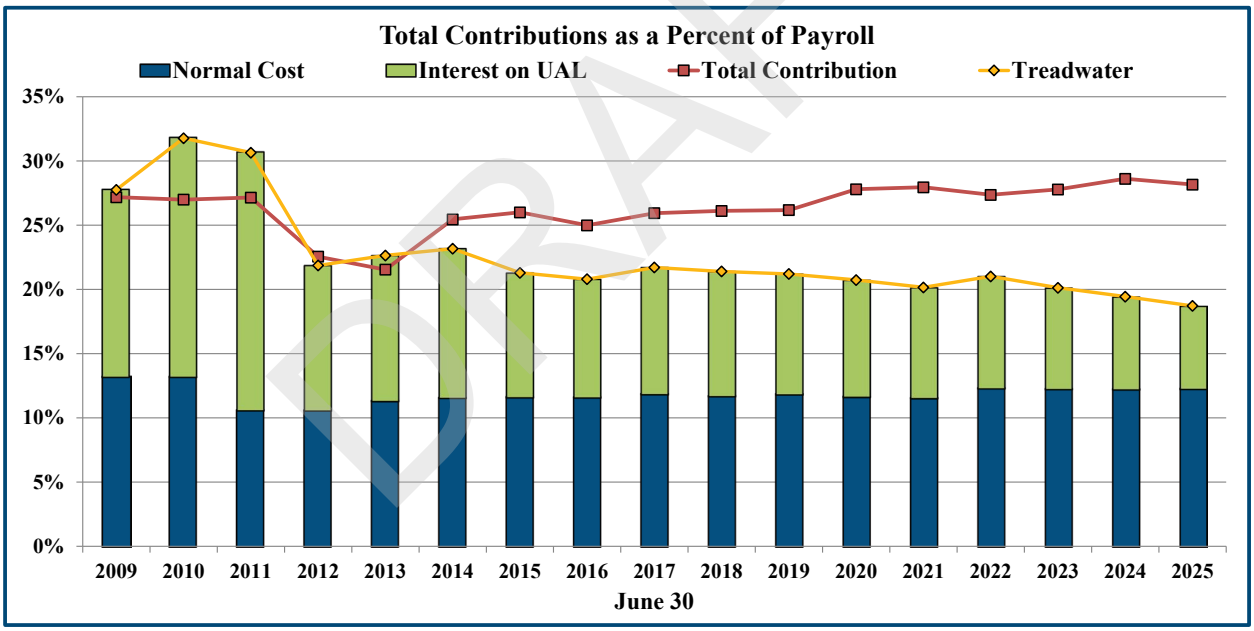
# SECTION I — BOARD SUMMARY

The most important information to be gleaned from this chart is that the Program, as evidenced in the prior chart, has successfully and significantly improved its funded status over the past 20 years, while maintaining a remarkably stable State contribution rate between approximately 15% and 20%. The State contribution rate decreases in FY 2029 because the initial 1996 unfunded UAL is paid off in FY 2028.

The next chart compares the total contribution rate to a rate we refer to as the "tread water rate." The tread water rate is the rate of payroll which, if contributed, would result in the UAL remaining the same in the following year if all experience exactly matched the assumptions. The tread water rate is the full normal cost plus interest on the UAL.

As can be seen in the following chart, the total contribution rate has exceeded the tread water rate every year since 2014.

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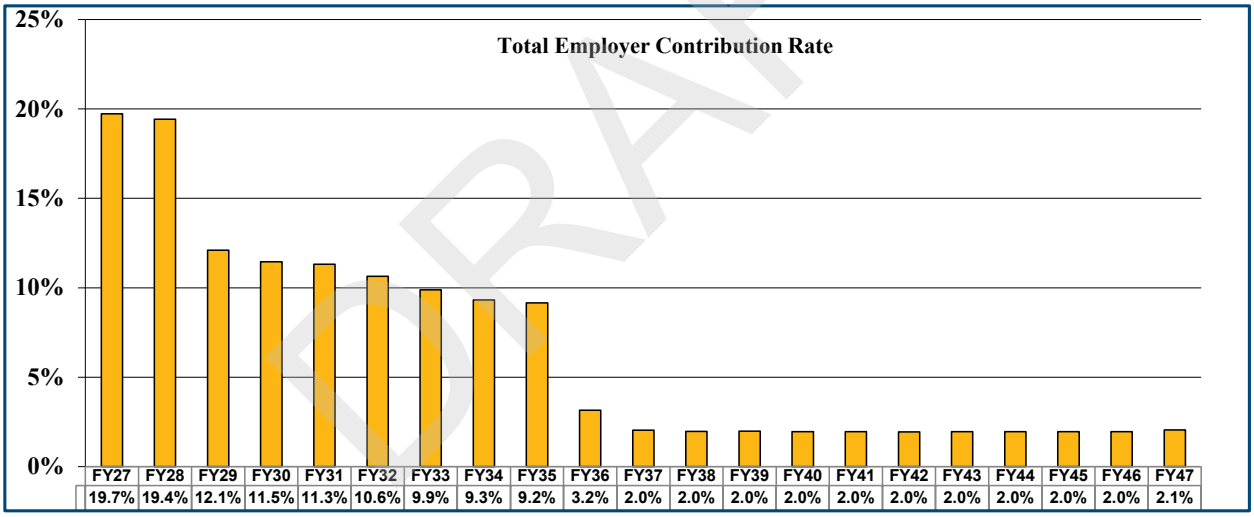
# SECTION I — BOARD SUMMARY

## Baseline Projections

Our analysis of the projected financial trends for the Program is an important part of this valuation. In this section, we project future valuation results, focusing on the previously referenced AVA funded ratio (AVA over AL) and the expected employer contributions that will be developed through the ratemaking process in future biennia. Here we present a baseline projection of these metrics based on all actuarial assumptions being exactly met during the projection period, including the assumed 6.50% investment return being achieved each year. In the risk section of the report, we demonstrate the sensitivity of future valuation results to deviations in actual returns from the assumed investment returns by presenting similar projections based on investment returns averaging similarly to the assumed returns but deviating from the assumed rate in the individual years of the 20-year projection period. Note that the projections in this report are based on the Board's funding policy, including the changes adopted in June 2026.

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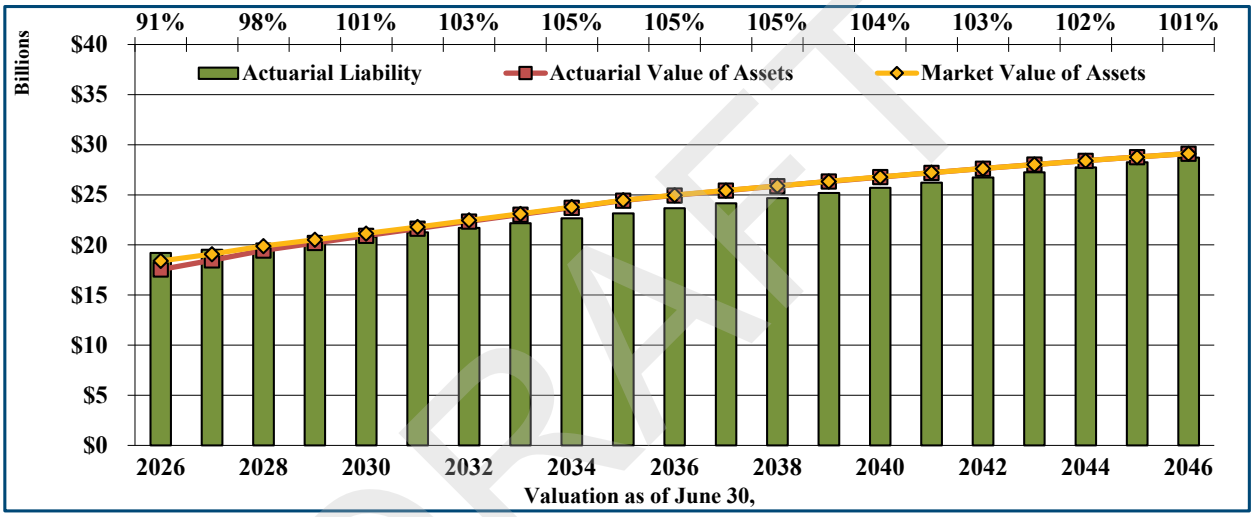
# SECTION I — BOARD SUMMARY

This baseline projection shows that the overall composite employer contribution rate for the Program dramatically drops in FY 2029 once the 1996 UAL balance is fully paid off. At that point, the employer contribution rates under this baseline scenario drop, initially to 12.1%, with small decreases thereafter as additional loss bases become fully recognized, dropping to 2.0% by FY 2037 when all current loss bases are fully recognized. Note that this baseline projection is based on all assumptions being met each and every year, where the reality is that there will be gains and losses each and every year, resulting in new amortization layers, negative or positive, occurring every year. This concept is explored further in the risk section of this report.




The graph above shows the projected AVA funded ratio (AVA divided by AL) over the next 20 years in the baseline scenario where all underlying assumptions are exactly met. It shows that the Program's AVA funded ratio is projected to improve from the current 91% as of June 30, 2026 to over 100% by June 30, 2030. If the ratios used Market Value of Assets (MVA), the funded ratios would be slightly different.

## Principal Results Summary

The last section of this Board Summary presents a summary of the principal results of the valuation, comparing key results between this and last year's valuations for member counts, assets and liabilities, and contribution rates. These summary results are shown for the total State Employee and Teacher Program, and then for each of these subgroups, as well as the division of the State Employee Program into the Regular and Special Plans.

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MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM STATE EMPLOYEE AND TEACHER RETIREMENT PROGRAM
ACTUARIAL VALUATION AS OF JUNE 30, 2026

# SECTION I — BOARD SUMMARY

**Table I-2**
**Summary of Principal Results**
**Total State Employee and Teacher Program**

| Valuation as of | June 30, 2025 | June 30, 2026 | % Change |
|---|---|---|---|
| **Member Counts** | | | |
| Active Members | 41,578 | 41,795 | 0.5% |
| Retired Members | 31,720 | 32,316 | 1.9% |
| Beneficiaries of Retired Members | 6,358 | 6,368 | 0.2% |
| Survivors of Deceased Members | 534 | 541 | 1.3% |
| Disabled (Current and Former) Members | 1,466 | 1,442 | (1.6)% |
| Terminated Vested Members | 9,403 | 9,498 | 1.0% |
| Inactives Due Refunds | 39,138 | 39,521 | 1.0% |
| Total Membership | 130,197 | 131,481 | 1.0% |
| Annual Payroll of Active Members | $ 2,678,253,523 | $ 2,738,814,794 | 2.3% |
| Annual Payments to Benefit Recipients | $ 1,053,692,714 | $ 1,094,769,233 | 3.9% |
| **Assets and Liabilities** | | | |
| Actuarial Liability (AL) | $ 18,770,059,781 | $ 19,199,493,797 | 2.3% |
| Actuarial Value of Assets (AVA) | 16,438,814,919 | 17,545,578,340 | 6.7% |
| Unfunded AL (UAL) | $ 2,331,244,862 | $ 1,653,915,457 | (29.1)% |
| AVA Funded Ratio (AVA/AL) | 87.6% | 91.4% | |
| MVA Funded Ratio (MVA/AL) | 90.0% | 95.9% | |
| Accrued Benefit Liability (PVAB) | $ 16,903,972,961 | $ 17,190,450,532 | 1.7% |
| Market Value of Assets (MVA) | 16,888,911,440 | 18,412,340,261 | 9.0% |
| Unfunded PVAB | $ 15,061,521 | $ (1,221,889,729) | N/A |
| MVA Accrued Benefit Funded Ratio | 99.9% | 107.1% | |
| **Contributions as a Percentage of Payroll** | | | |
| Employer Normal Cost Rate | 4.50% | 5.52% | |
| UAL Amortization Rate | 15.48% | 14.50% | |
| Total Employer Calculated Rate | 19.98% | 20.02% | |

| | 2024 Ratemaking | | 2026 Ratemaking | |
|---|---|---|---|---|
| Total Employer Budgeted Rates | FY 2026 | 19.70% | FY 2028 | 19.43% |
| Total Employer Budgeted Rates | FY 2027 | 19.73% | FY 2029 | 12.10% |

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MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM STATE EMPLOYEE AND TEACHER RETIREMENT PROGRAM
ACTUARIAL VALUATION AS OF JUNE 30, 2026

# SECTION I — BOARD SUMMARY

**Table I-3**
**Summary of Principal Results**
**Teacher Program**

| Valuation as of | June 30, 2025 | June 30, 2026 | % Change |
|---|---|---|---|
| **Member Counts** | | | |
| Active Members | 28,240 | 28,386 | 0.5% |
| Retired Members | 19,914 | 20,329 | 2.1% |
| Beneficiaries of Retired Members | 3,053 | 3,055 | 0.1% |
| Survivors of Deceased Members | 270 | 275 | 1.9% |
| Disabled (Current and Former) Members | 650 | 645 | (0.8)% |
| Terminated Vested Members | 6,090 | 6,145 | 0.9% |
| Inactives Due Refunds | 29,299 | 29,508 | 0.7% |
| Total Membership | 87,516 | 88,343 | 0.9% |
| Annual Payroll of Active Members | $ 1,672,884,522 | $ 1,711,554,778 | 2.3% |
| Annual Payments to Benefit Recipients | $ 671,646,832 | $ 697,529,861 | 3.9% |
| **Assets and Liabilities** | | | |
| Actuarial Liability (AL) | $ 12,272,087,528 | $ 12,496,830,569 | 1.8% |
| Actuarial Value of Assets (AVA) | 10,874,210,751 | 11,580,392,556 | 6.5% |
| Unfunded Actuarial Liability (UAL) | $ 1,397,876,777 | $ 916,438,013 | (34.4)% |
| AVA Funded Ratio (AVA/AL) | 88.6% | 92.7% | |
| MVA Funded Ratio (MVA/AL) | 91.0% | 97.2% | |
| Accrued Benefit Liability (PVAB) | $ 10,963,088,117 | $ 11,115,013,791 | 1.4% |
| Market Value of Assets (MVA) | 11,171,947,811 | 12,152,470,780 | 8.8% |
| Unfunded PVAB | $ (208,859,694) | $ (1,037,456,989) | N/A |
| MVA Accrued Benefit Funded Ratio | 101.9% | 109.3% | |
| **Contributions as a Percentage of Payroll** | | | |
| Employer Normal Cost Rate | 4.31% | 5.25% | |
| UAL Rate | 14.81% | 13.56% | |
| Total Employer Rate | 19.12% | 18.81% | |

| | 2024 Ratemaking | | 2026 Ratemaking | |
|---|---|---|---|---|
| Total Employer Budgeted Rates | FY 2026 | 18.80% | FY 2028 | 18.46% |
| Total Employer Budgeted Rates | FY 2027 | 18.80% | FY 2029 | 9.64% |

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MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM STATE EMPLOYEE AND TEACHER RETIREMENT PROGRAM
ACTUARIAL VALUATION AS OF JUNE 30, 2026

# SECTION I — BOARD SUMMARY

**Table I-4**
**Summary of Principal Results**
**State Program (Regular and Special Plans)**

| Valuation as of | June 30, 2025 | June 30, 2026 | % Change |
|---|---|---|---|
| **Member Counts** | | | |
| Active Members | 13,338 | 13,409 | 0.5% |
| Retired Members | 11,806 | 11,987 | 1.5% |
| Beneficiaries of Retired Members | 3,305 | 3,313 | 0.2% |
| Survivors of Deceased Members | 264 | 266 | 0.8% |
| Disabled (Current and Former) Members | 816 | 797 | (2.3)% |
| Terminated Vested Members | 3,313 | 3,353 | 1.2% |
| Inactives Due Refunds | 9,839 | 10,013 | 1.8% |
| Total Membership | 42,681 | 43,138 | 1.1% |
| Annual Payroll of Active Members | $ 1,005,369,001 | $ 1,027,260,016 | 2.2% |
| Annual Payments to Benefit Recipients | $ 382,045,882 | $ 397,239,372 | 4.0% |
| **Assets and Liabilities** | | | |
| Actuarial Liability (AL) | $ 6,497,972,253 | $ 6,702,663,228 | 3.2% |
| Actuarial Value of Assets (AVA) | 5,564,604,168 | 5,965,185,784 | 7.2% |
| Unfunded Actuarial Liability (UAL) | $ 933,368,085 | $ 737,477,444 | (21.0)% |
| AVA Funded Ratio (AVA/AL) | 85.6% | 89.0% | |
| MVA Funded Ratio (MVA/AL) | 88.0% | 93.4% | |
| Accrued Benefit Liability (PVAB) | $ 5,940,884,844 | $ 6,075,436,741 | 2.3% |
| Market Value of Assets (MVA) | 5,716,963,629 | 6,259,869,481 | 9.5% |
| Unfunded PVAB | $ 223,921,215 | $ (184,432,740) | (182.4)% |
| MVA Accrued Benefit Funded Ratio | 96.2% | 103.0% | |
| **Contributions as a Percentage of Payroll** | | | |
| Employer Normal Cost Rate | 4.81% | 5.96% | |
| UAL Rate | 16.58% | 16.09% | |
| Total Employer Rate | 21.39% | 22.05% | |

| | 2024 Ratemaking | | 2026 Ratemaking | |
|---|---|---|---|---|
| Total Employer Budgeted Rates | FY 2026 | 21.27% | FY 2028 | 20.94% |
| Total Employer Budgeted Rates | FY 2027 | 21.36% | FY 2029 | 15.96% |

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MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM STATE EMPLOYEE AND TEACHER RETIREMENT PROGRAM
ACTUARIAL VALUATION AS OF JUNE 30, 2026

# SECTION I — BOARD SUMMARY

**Table I-5**
**Summary of Principal Results**
**State Program – Regular Plans Only**

| Valuation as of | June 30, 2025 | June 30, 2026 | % Change |
|---|---|---|---|
| **Member Counts** | | | |
| Active Members | 11,586 | 11,471 | (1.0)% |
| Retired Members | 10,946 | 11,089 | 1.3% |
| Beneficiaries of Retired Members | 3,091 | 3,085 | (0.2)% |
| Survivors of Deceased Members | 251 | 251 | 0.0% |
| Disabled (Current and Former) Members | 733 | 711 | (3.0)% |
| Terminated Vested Members | 2,873 | 2,899 | 0.9% |
| Inactives Due Refunds | 8,499 | 8,643 | 1.7% |
| Total Membership | 37,979 | 38,149 | 0.4% |
| Annual Payroll of Active Members | $ 842,155,609 | $ 841,099,659 | (0.1)% |
| Annual Payments to Benefit Recipients | $ 346,382,421 | $ 358,435,248 | 3.5% |
| **Assets and Liabilities** | | | |
| Actuarial Liability (AL) | $ 5,548,944,522 | $ 5,668,260,745 | 2.2% |
| Actuarial Value of Assets (AVA) | 4,779,318,905 | 5,082,560,880 | 6.3% |
| Unfunded Actuarial Liability (UAL) | $ 769,625,617 | $ 585,699,865 | (23.9)% |
| AVA Funded Ratio (AVA/AL) | 86.1% | 89.7% | |
| MVA Funded Ratio (MVA/AL) | 88.5% | 94.1% | |
| Accrued Benefit Liability (PVAB) | $ 5,100,717,260 | $ 5,169,738,016 | 1.4% |
| Market Value of Assets (MVA) | 4,910,177,172 | 5,333,642,386 | 8.6% |
| Unfunded PVAB | $ 190,540,088 | $ (163,904,370) | (186.0)% |
| MVA Accrued Benefit Funded Ratio | 96.3% | 103.2% | |
| **Contributions as a Percentage of Payroll** | | | |
| Employer Normal Cost Rate | 4.78% | 5.73% | |
| UAL Rate | 16.35% | 15.59% | |
| Total Employer Rate | 21.13% | 21.32% | |

| | 2024 Ratemaking | | 2026 Ratemaking | |
|---|---|---|---|---|
| Total Employer Budgeted Rates | FY 2026 | 20.86% | FY 2028 | 20.65% |
| Total Employer Budgeted Rates | FY 2027 | 20.95% | FY 2029 | 15.71% |

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MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM STATE EMPLOYEE AND TEACHER RETIREMENT PROGRAM
ACTUARIAL VALUATION AS OF JUNE 30, 2026

# SECTION I — BOARD SUMMARY

**Table I-6**
**Summary of Principal Results**
**State Program – Special Plans Only**

| Valuation as of | June 30, 2025 | June 30, 2026 | % Change |
|---|---|---|---|
| **Member Counts** | | | |
| Active Members | 1,752 | 1,938 | 10.6% |
| Retired Members | 860 | 898 | 4.4% |
| Beneficiaries of Retired Members | 214 | 228 | 6.5% |
| Survivors of Deceased Members | 13 | 15 | 15.4% |
| Disabled (Current and Former) Members | 83 | 86 | 3.6% |
| Terminated Vested Members | 440 | 454 | 3.2% |
| Inactives Due Refunds | 1,340 | 1,370 | 2.2% |
| Total Membership | 4,702 | 4,989 | 6.1% |
| Annual Payroll of Active Members | $ 163,213,392 | $ 186,160,357 | 14.1% |
| Annual Payments to Benefit Recipients | $ 35,663,461 | $ 38,804,124 | 8.8% |
| **Assets and Liabilities** | | | |
| Actuarial Liability (AL) | $ 949,027,731 | $ 1,034,402,483 | 9.0% |
| Actuarial Value of Assets (AVA) | 785,285,263 | 882,624,904 | 12.4% |
| Unfunded Actuarial Liability (UAL) | $ 163,742,468 | $ 151,777,579 | (7.3)% |
| AVA Funded Ratio (AVA/AL) | 82.7% | 85.3% | |
| MVA Funded Ratio (MVA/AL) | 85.0% | 89.5% | |
| Accrued Benefit Liability (PVAB) | $ 840,167,584 | $ 905,698,725 | 7.8% |
| Market Value of Assets (MVA) | 806,786,457 | 926,227,095 | 14.8% |
| Unfunded PVAB | $ 33,381,127 | $ (20,528,370) | (161.5)% |
| MVA Accrued Benefit Funded Ratio | 96.0% | 102.3% | |
| **Contributions as a Percentage of Payroll** | | | |
| Employer Normal Cost Rate | 4.99% | 7.01% | |
| UAL Rate | 17.91% | 18.27% | |
| Total Employer Rate | 22.90% | 25.28% | |

| | 2024 Ratemaking | | 2026 Ratemaking | |
|---|---|---|---|---|
| Total Employer Budgeted Rates | FY 2026 | 23.32% | FY 2028 | 22.33% |
| Total Employer Budgeted Rates | FY 2027 | 23.43% | FY 2029 | 17.11% |

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# SECTION II — RISK ASSESSMENT AND DISCLOSURE

## Introduction

The Program's actuarial valuation results are dependent on assumptions about future economic and demographic experience. Based on Actuarial Standards of Practice, these assumptions represent a reasonable estimate for future experience. However, actual future experience will never conform exactly to these assumptions and may differ significantly from the assumptions. This deviation is a risk that pension plan sponsors bear in relying on a pension plan's actuarial valuation results.

This section of this report is intended to identify the primary drivers of these risks, provide background information and assessments about these identified risks, and communicate the significance of these risks to this Program.

## Identification of Risks

For this Program, the three primary valuation results that can significantly differ from those expected are the assets, the liabilities, and the employer contributions. While there are several factors that could lead to these results being different, we believe the primary risks for this Program are:

- Investment risk,
- Longevity and other demographic risks,
- Plan change risk, and
- Assumption change risk

Other risks that we have not identified may also turn out to be significant.

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# SECTION II — RISK ASSESSMENT AND DISCLOSURE

Investment Risk is the potential for investment returns to deviate from what is expected. When actual investment returns are lower than the investment assumption used in the actuarial valuation, the unfunded liability will increase from what was expected and will require higher contributions than otherwise anticipated. But when actual returns exceed those assumed, the resulting unfunded liability measurements and Actuarially Determined Contributions will be lower than anticipated. As seen in the historical section that follows, this has been a significant driver of deviations in the actual measurements for this Program from those expected by the prior valuations.

Longevity and Other Demographic Risk is the potential for mortality or other demographic experience to be different than expected. Generally, longevity and other demographic risks emerge slowly over time as the actual experience deviates from expectations. In addition, the extensive number of assumptions related to longevity and other demographic experience often result in offsetting deviations contributing to the Program's overall liability experience. As such, these risks are often dwarfed by other risks, particularly those due to the investment returns. The historical section that follows shows that this has been true for this Program in most individual years, with the magnitude of the gains and losses from investment experience often significantly larger than the gains and losses from liability experience. During the past 10 years, the longevity and other demographic experience have had consistent losses in recent years, resulting in a large cumulative value over this period. The continued losses can be attributed largely to pay increases being higher than expected.

Plan Change Risk is the potential for the provisions of the Program to be changed such that the funding or benefits are changed materially. In addition to the actual payments to and from the Program being changed, future valuation measurements can also be impacted, with Program changes leading to deviations between actual future measurements and those expected by prior valuations. For this Program, this risk is partially mitigated by the constitutional requirement that any Program changes creating new actuarial liabilities must be fully funded. Because of this, plan changes in the recent 10-year period have not resulted in changes in the Unfunded Actuarial Liability, as they have all been fully funded. It is worth noting that when plan changes reduce the liability, there will be a gain associated with such a change. The last time this occurred was in 2011.

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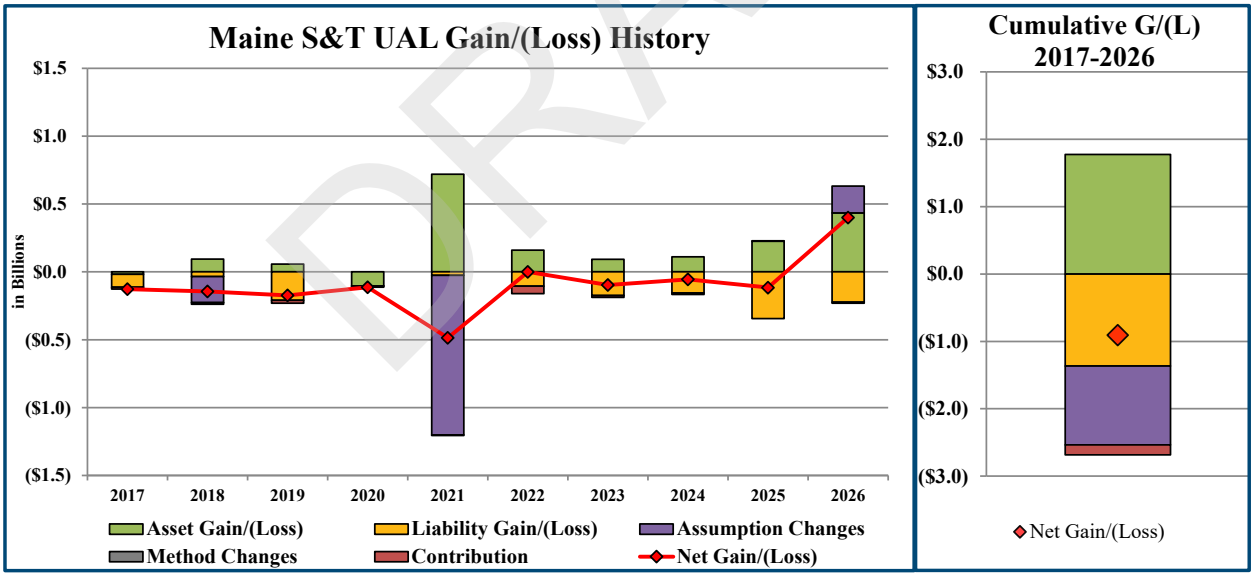
# SECTION II — RISK ASSESSMENT AND DISCLOSURE

Assumption change risk is the potential for the environment to change such that future valuation assumptions are adjusted to be different than the current assumptions. For example, changes in interest rates over time may result in a change in the assumed rates of return used in the valuation. A healthier workforce may result in changes in employee behavior such that retirement rates are adjusted to reflect employees working longer. Assumption change risk is an extension of the risks previously identified, but rather than capturing the risk as it is experienced, it captures the cost of changing the assumption to better anticipate future experience. The historical review section will show that assumption change risk has been a significant risk for this Program over the period.

## Historical Experience Deviations

In understanding the impact of some of these risks, it is useful to look at past experience deviations. These deviations are commonly referred to as actuarial gains and losses. The following chart shows the gains/(losses) at each valuation date between the actual and expected experience broken down by cause for the last 10 years.




As described previously and evident in this chart, assumption changes as well as liability and asset gains and losses have been the most significant risks for the Program over this 10-year period on a cumulative basis. Contribution timing was much less significant over this period. Over this period, there were no method changes, and all plan changes were fully funded, resulting in no change in UAL.

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# SECTION II — RISK ASSESSMENT AND DISCLOSURE

## Plan Maturity Measures

As pension plans become more mature, the primary risks of adverse investments, demographic deviations, plan changes, and assumption/method changes become of more significant concern as the resulting impacts on the Program's condition are more pronounced. As a result, it has become increasingly important to examine measures that indicate a pension plan's maturity level. With shrinking workforces, aging Baby Boomers, and retirees living longer, plans pay out more in benefits than they receive in contributions – leading to negative cash flows, excluding investment income, making it harder for a plan to recover from losses.

One of the main reasons risks are more amplified with a mature plan is that when plans with negative cash flows suffer investment losses, they need to liquidate enough assets to pay for benefits in excess of contributions. That means these plans will need to earn higher returns to rebuild their assets to the previous levels. Plans with negative cash flows exceeding five percent of assets are especially vulnerable to asset losses.

The balance of this section discloses and examines two maturity measures: the asset leverage ratio and the net cash flow ratio.

### Asset Leverage Ratio

One important plan maturity measure is the asset leverage ratio, the Market Value of Assets divided by the plan's payroll. This measure represents the multiple of an asset loss as a percentage of payroll that would need to be contributed to make up a given change in the plan's assets. As a plan matures, its assets increase, and a greater proportion of the assets are paid out in benefit payments to members. The greater the plan's assets are relative to payroll, the more vulnerable the plan is to investment volatility in terms of the resulting contribution requirement changes.

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# SECTION II — RISK ASSESSMENT AND DISCLOSURE

As an example, here are two plans that both experience a 10% investment loss, equaling $500 million on their existing assets of five billion dollars. Plan A's asset leverage ratio is 10, and Plan B's ratio is five. This means that Plan A has to spread, or amortize, that loss over a payroll that is half as large as Plan B's. As seen in the chart below, this results in the percentage of payroll that Plan A would need to contribute to make up the loss being double what would be required for Plan B.

| | ($ in millions) | |
|---|---|---|
| | Plan A | Plan B |
| Plan Assets | $ 5,000 | $ 5,000 |
| Payroll | $ 500 | $ 1,000 |
| Asset Leverage Ratio | 10.0 | 5.0 |
| | | |
| 10% Loss | $ 500 | $ 500 |
| 10% Loss as % of Payroll | 100% | 50% |

The Government Finance Officers Association (GFOA), MissionSquare Research Institute, the National Association of State Retirement Administrators (NASRA), and the Center for Retirement Research at Boston College maintain the Public Plans Data database that contains almost all state plans as well as many large municipal plans, covering over 95% of the membership in public plans as well as over 95% of the assets held by public pension plans. For purposes of the charts included in this section that compare the Maine State Employee and Teacher Program to this Public Plans database, we have excluded small Plans (defined as those that have less than $1 billion in actuarial liability).

The chart that follows shows the asset leverage ratios for the Program and the large plans in this database since 2009. The colored bars represent the central 90% of the asset leverage ratios of the large plans in the database for each year. The Maine State Employee and Teacher Program is represented by the gold diamonds. This chart shows that the Program's asset leverage ratio has generally increased over this period, similar to the universe of other large systems. It remained steady, between 550% and 615% of payroll, for the eight years prior to 2021, when it increased to 677%, or 6.77 times payroll. The rate was temporarily just over the previous top-end range in 2022 – 2025, but due to the larger market gain in FY 2026, the rate is now above that range again at 672%, or 6.72 times payroll.

Note that the charts showing the Program versus the universe of public plans in this section show one more year for the Program than the universe, as the 2026 numbers are not yet available for the database. When these numbers are available, we anticipate that the universe of public plans will also show a similar trend in this ratio when compared to MainePERS.

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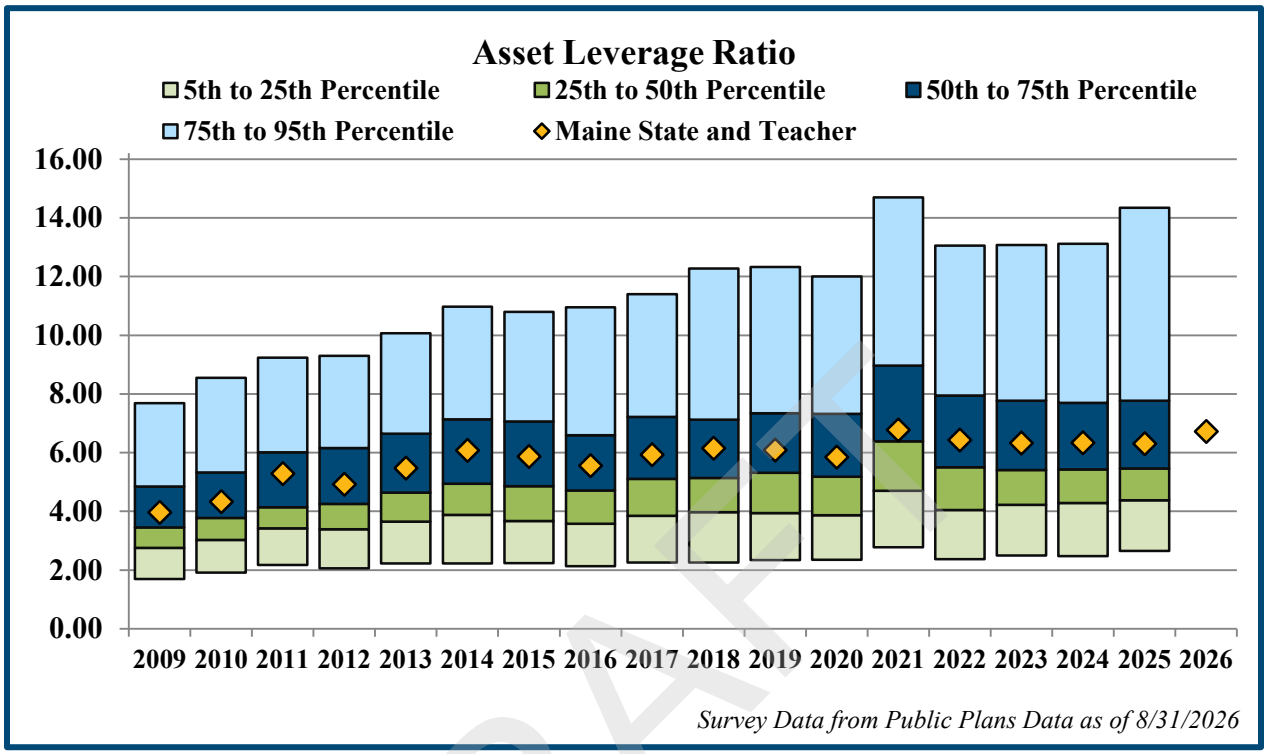
# SECTION II — RISK ASSESSMENT AND DISCLOSURE




## NET CASH FLOW RATIO

Another measure of plan maturity is the ratio of the net cash flow (excluding investment returns) for a plan – contributions less benefits and expenses – divided by the market value of plan assets. When this ratio is significantly negative, a plan is very vulnerable to market declines. This vulnerability increases as this ratio becomes more negative.

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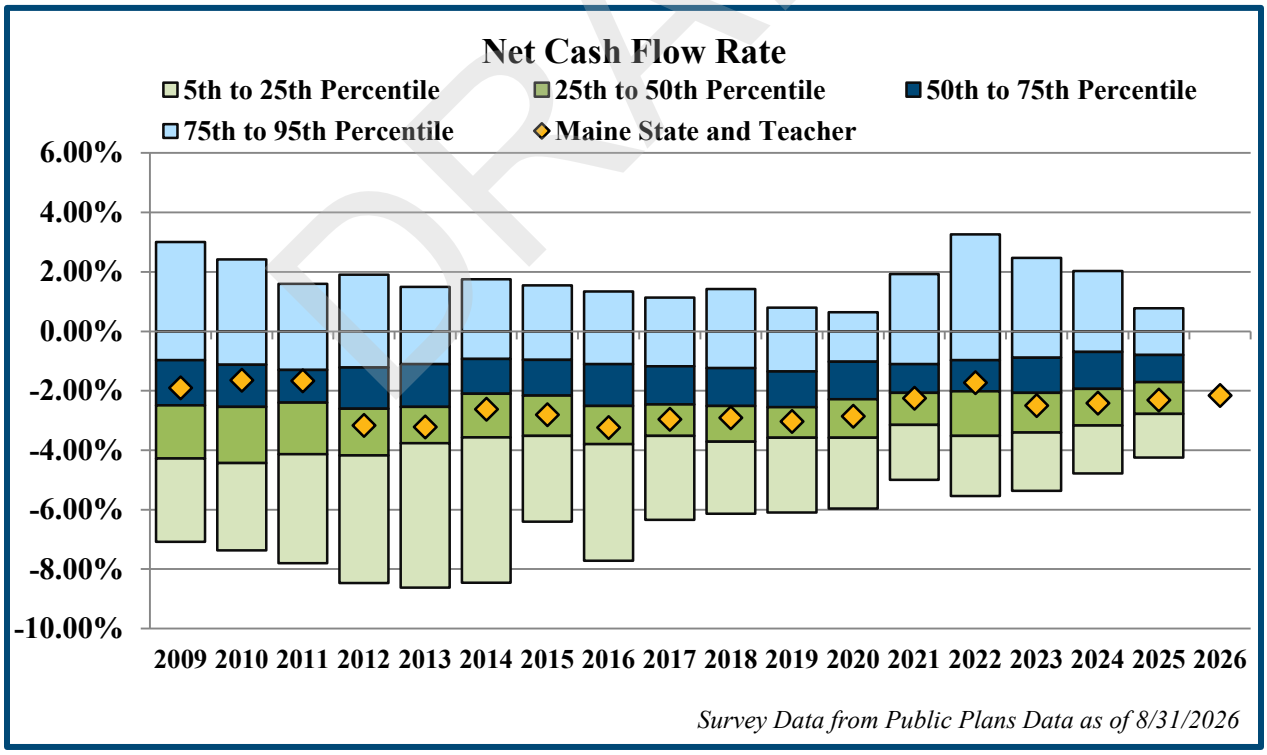
# SECTION II — RISK ASSESSMENT AND DISCLOSURE

This chart shows that the Program's net cash flow ratio in 2009 was about negative 1.9%, improved slightly in 2010 and 2011, and trended towards a more negative value in 2012. Starting in 2013, it remained relatively stable within 0.35% of negative 2.95% in all years through 2020. In FY 2021, the Program's negative cash flow improved to negative 2.3%, largely due to the significant asset gains in FY 2021. In FY 2022, the Program's cash flow increased to negative 1.7%, due largely to the extra contributions made to the Trust to fund the COLA benefit change enacted in FY 2022. In FY 2026, the cash flow rate is negative 2.2%. Relative to the large public plans universe, the Program had smaller negative net cash flows than the median plan in the database at the beginning of this period. But since 2012, the negative net cash flows have been larger than the median plan in the universe, other than FY 2022. Since the results for other large systems as of 2026 are not yet available, we do not yet know how the change in the net cash flow ratio for this System in 2026 will compare relative to that of other large systems. Note also that the Program's contribution rate is expected to decrease once the 1996 UAL is paid off, which will be in FY 2028. After that point, we anticipate seeing a significant increase in the negative net cash flow rate to about negative 3.3%.

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# SECTION II — RISK ASSESSMENT AND DISCLOSURE

## Assessing Future Risk

Assessing the future risk that the expected measurements produced by the actuarial valuations will deviate from the actual values over time is complex and can never be exactly known. However, to try to assist the Board in its review of this report, we have attempted to develop some basic assessments of this risk in the remainder of this section, focusing on risks related to investment returns.

Pages 11-12 have additional detail on the baseline projection produced from this valuation. It is important to note that baseline projections, while informative, are not going to occur as experience never conforms exactly to assumptions every year. As discussed in the plan maturity section, as plans become more mature, it typically becomes more difficult for them to recover from market declines even when the average investment return over an extended period is equal to the expected return. As a demonstration of this, on the following pages, we show a scenario that is based on assuming varying returns in the future. We based this varying return scenario on assuming the returns for the next 20 years would equal what a portfolio invested 75% in the SP-500 index and 25% in the Bloomberg Aggregate bond index would have earned for the 20-year period July 1, 1999 through June 30, 2019. This period was selected because it contained several periods of volatile returns, both high and low, and produced an overall cumulative annual return for the period of 6.32%, just below the current assumption of 6.5%. The 75%/25% equity/fixed income allocation is a rough proxy for the Program's asset allocation. The rates assumed for this scenario are shown below.

| FY | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 | 2036 |
|---|---|---|---|---|---|---|---|---|---|---|
| Return | 17.9% | 6.6% | -8.3% | -11.3% | 2.8% | 14.4% | 6.4% | 6.3% | 17.0% | -8.1% |
| FY | 2037 | 2038 | 2039 | 2040 | 2041 | 2042 | 2043 | 2044 | 2045 | 2046 |
| Return | -18.1% | 13.2% | 24.0% | 6.0% | 15.3% | 19.6% | 6.0% | 4.5% | 13.3% | 10.7% |

With varying annual earnings, one can see the significant volatility in the employer contributions in the first chart, where State contribution rates drop to 10% in FY 2031 and then escalate to over 24% in FY 42. Because of the new funding policy volatility corridor, the period from FY 30 to FY 41 has stable contribution rates – but the ability to manage the contributions after that period is diminished due to the market volatility in this scenario. We note that this chart reflects just one illustrative scenario and is not intended to reflect future expectations.

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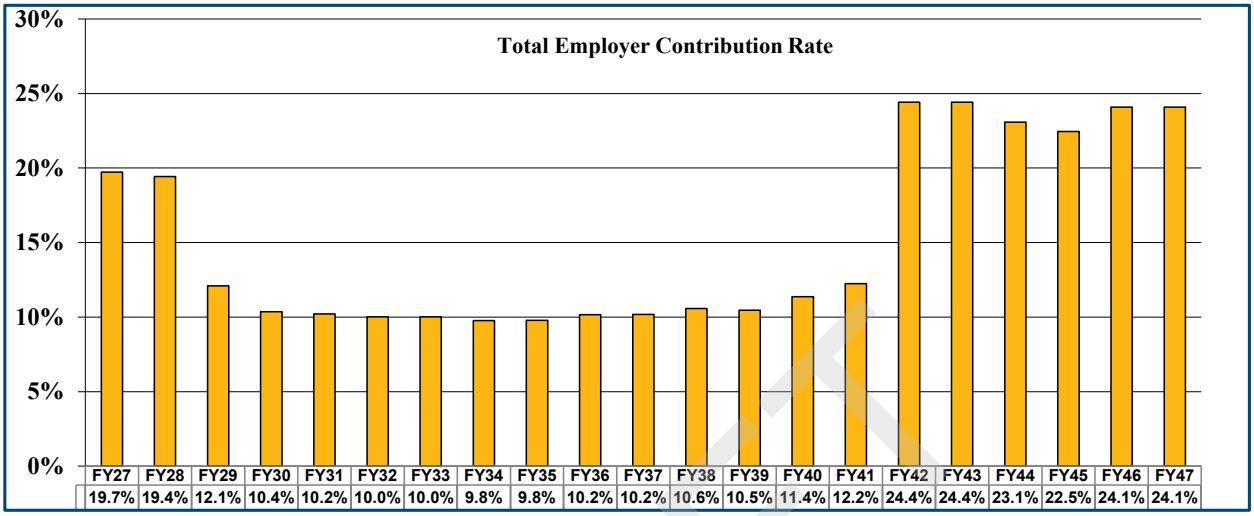
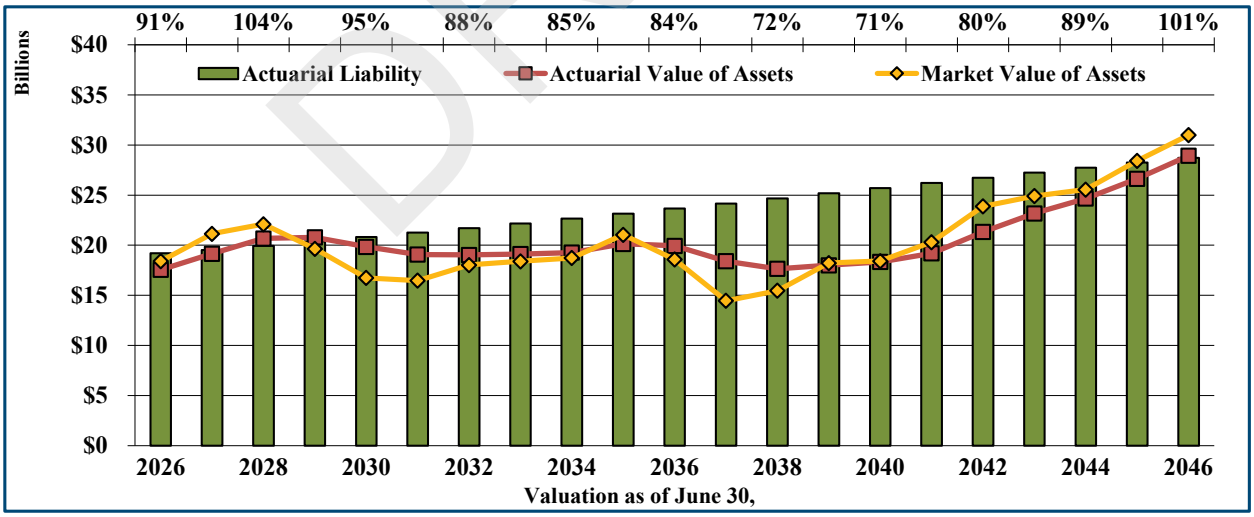
# SECTION II — RISK ASSESSMENT AND DISCLOSURE




The AVA funded ratio of the Program is also more volatile with varied returns as seen in the following graph based on this illustrative varying returns scenario. Both the baseline projection and this scenario result in the Program being fully funded by the end of the projection period. However, in this illustrative varying returns scenario, the funded ratio is much more volatile. The AVA funded ratio even dips to a low of 71% in 2040 before recovering over this period.

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# SECTION III — ASSETS

Pension plan assets play a key role in the financial operation of plans and in the decisions that Trustees make with respect to future deployment of those assets. The level of assets, the allocation of assets among asset classes, and the methodology used to measure assets will likely affect benefit levels, employer contribution rates, and the ultimate security of members' benefits.

The assets for all Defined Benefit (DB) Programs administered by MainePERS are invested together. These Programs are the State Employee and Teacher Retirement Program, which is valued in this report, the Judicial Retirement Program, the Legislative Retirement Program, and the Participating Local District (PLD) Retirement Program, including both the Consolidated Plan and the several Nonconsolidated PLDs. The assets of these Programs are entirely commingled for investment purposes, so the Actuarial Value of Assets (AVA) for each of these Programs is developed by first developing it for the entire asset pool and then subsequently allocating that total AVA to each of the specific Programs.

In this section, we present detailed information on the Program's assets, including:

- Disclosure of total MainePERS DB assets at June 30, 2026,
- Statement of changes in total MainePERS DB market values during the year,
- Development of the total MainePERS DB AVA,
- Allocation of the total actuarial value to MainePERS DB Programs,
- Assessment of the total MainePERS DB investment performance, and
- Projection of expected cash flows for the Program for the next 10 years.

## Disclosure

The Market Value of Assets (MVA) represents a "snapshot" or "cash-out" value, which provides the principal basis for measuring financial performance from one year to the next. However, market values can fluctuate widely with corresponding swings in the marketplace, resulting in volatility in the resulting contributions if the unadjusted market value is used in the valuation process that develops the contributions. Therefore, a smoothed Actuarial Value of Assets is developed for use in the valuation process and for evaluating the Program's ongoing ability to meet its obligations. The actuarial value of the Program's assets is developed by allocating the actuarial value of the total MainePERS DB assets to each Program. This section discloses the market and actuarial values of the MainePERS DB assets, both in total and for each Program.

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# SECTION III — ASSETS

Table III-1 that follows develops the change in the Market Value of Assets for the total MainePERS DB assets during FY 2026.

**Table III-1**
**Changes in Market Value of Total MainePERS Defined Benefit (DB) Assets**

| | | |
|---|---|---|
| **Market Value of Total MainePERS DB Assets – June 30, 2025** | | **$ 21,408,715,435** |
| **Additions** | | |
| Contributions: | | |
| Employer Contributions | $ 661,182,226 | |
| Member Contributions | 288,944,816 | |
| Transfers | (306,005) | |
| Total Contributions | $ 949,821,037 | |
| Investment Income: | | |
| Net Appreciation (Depreciation) in Fair Value of Investments | $ 2,572,063,734 | |
| Interest on Bank Balances | 3,190,606 | |
| Total Investment Income | $ 2,575,254,340 | |
| Investment Activity Expenses: | | |
| Management Fees | $ (126,310,487) | |
| Investment Related Expense | (6,445,905) | |
| Banking Fees | (24,506) | |
| Total Investment Activity Expenses | $ (132,780,898) | |
| Net Income from Investing Activities | $ 2,442,473,442 | |
| Total Additions | | $ 3,392,294,479 |
| **Deductions** | | |
| Retirement Benefits | $ (1,298,329,155) | |
| Disability Benefits | (26,691,717) | |
| Survivor Benefits | (29,574,581) | |
| Refunds | (32,712,154) | |
| Administrative Expenses | (20,697,998) | |
| Total Deductions | | $ (1,408,005,605) |
| **Total** | | |
| Net Increase (Decrease) | | $ 1,984,288,874 |
| **Market Value of Total MainePERS DB Assets – June 30, 2026** | | **$ 23,393,004,309** |

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# SECTION III — ASSETS

## Actuarial Value of Total MainePERS DB Assets

Table III-2 that follows develops the Actuarial Value of Assets for the total MainePERS DB assets as of June 30, 2026 using the adopted actuarial valuation methodology.

**Table III-2**
**Development of Actuarial Value of Total MainePERS Defined Benefit (DB) Assets as of June 30, 2026**

| | | |
|---|---|---|
| 1. | Actuarial Value of Total MainePERS DB Assets at June 30, 2025 | $ 20,838,164,256 |
| 2. | Amount in (1) with Interest to June 30, 2026 | 22,192,644,933 |
| 3. | Total Contributions for FY 2026 | 949,821,037 |
| 4. | Interest on Contributions in (3), Assuming Received Uniformly throughout FY 2026 | 30,383,229 |
| 5. | Total Disbursements without Administrative Expenses, for FY 2026 | (1,387,307,607) |
| 6. | Interest on Disbursements in (5), Assuming Payments made Uniformly throughout FY 2026 | (44,377,712) |
| 7. | Expected Actuarial Value of Total MainePERS DB Assets at June 30, 2026 = (2) + (3) + (4) + (5) + (6) | $ 21,741,163,880 |
| 8. | Actual Market Value of Total MainePERS DB Assets at June 30, 2026 | 23,393,004,309 |
| 9. | Excess of (8) Over (7) | 1,651,840,429 |
| 10. | Actuarial Value of Total MainePERS DB Assets at June 30, 2026 = (7) + [33⅓% of (9)] | $ 22,291,777,356 |

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As discussed in the disclosure portion of this section, the Actuarial Value of Assets (AVA) for the Program represents a "smoothed" value developed by the actuary to reduce, or eliminate, volatility in valuation results, particularly contribution rates, that could develop from short-term fluctuations in the Market Value of Assets (MVA). Current actuarial methods employed in this Program use an allocated portion of the total AVA for the total MainePERS DB assets based on the Program's MVA to develop the AVA for the Program. The methodology for the total MainePERS DB assets sets the AVA equal to the expected value of the AVA plus one-third of the difference between the actual MVA and the expected AVA. The expected value of the AVA takes the prior year's AVA and adjusts it for contributions, disbursements, and expected interest earnings at the investment return assumption that was in effect for the previous year, 6.50% for this valuation. The previous table, Table III-2, illustrates the calculation of the Actuarial Value of Assets for the total MainePERS DB assets as of June 30, 2026.

# SECTION III — ASSETS

## Allocation of Actuarial Value of Assets to the Program

The assets for the defined benefit (DB) Programs administered by MainePERS are commingled for investment purposes with the total AVA allocated to the individual Programs on the basis of the MVA for each Program. An asset ratio (total MainePERS DB AVA divided by total MainePERS DB MVA) is applied to the MVA attributable to each of the Programs to determine its AVA as of the valuation date. The asset ratio derived in this June 30, 2026 valuation is 0.952925 ($22,291,777,356 ÷ $23,393,004,309). The allocation of the total MainePERS DB AVA to each of the MainePERS DB Programs based on this asset ratio is shown in the following table.

**Table III-3**
**Allocation of Actuarial Value of Total MainePERS DB Assets**
**as of June 30, 2026**

| Program | Market Value | Actuarial Value |
|---|---|---|
| Teacher | $ 12,152,470,780 | $ 11,580,392,556 |
| State (Regular & Special) | 6,259,869,481 | 5,965,185,784 |
| Judicial | 99,834,087 | 95,134,392 |
| Legislative | 20,392,813 | 19,432,820 |
| Participating Local Districts (Consolidated & Non-Consolidated) | 4,860,437,148 | 4,631,631,804 |
| Total | $ 23,393,004,309 | $ 22,291,777,356 |

## Investment Performance

The Market Value of Assets for the total MainePERS DB assets returned a positive 11.43% during FY 2026. This is greater than the assumed return of 6.50% for FY 2026. The equivalent market value returns for the total MainePERS DB assets for FY 2025 and FY 2024 were positive 9.31% and positive 7.43%, respectively.

On an Actuarial Value of Assets basis, the return for FY 2026 was a positive 9.17% for the total MainePERS DB assets. This return is less than the return on a market value basis but greater than the 6.50% assumption in effect for FY 2026. Therefore, this return gave rise to an investment gain on the total MainePERS DB assets this year.

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# SECTION III — ASSETS

## Cash Flow Projections

**Table III-4**
**Projection of State Employee and Teacher Program**
**Benefit Payments and Contributions**

| FY Ending June 30, | Expected Benefit Payments | Expected Employer Contributions | Expected Member Contributions | Total Expected Contributions |
|---|---|---|---|---|
| 2027 | $ 1,268,844,000 | $ 547,748,000 | $ 214,324,000 | $ 762,072,000 |
| 2028 | 1,198,532,000 | 554,253,000 | 220,218,000 | 774,471,000 |
| 2029 | 1,228,659,000 | 354,652,000 | 226,274,000 | 580,926,000 |
| 2030 | 1,259,515,000 | 344,928,000 | 232,496,000 | 577,424,000 |
| 2031 | 1,289,515,000 | 350,206,000 | 238,890,000 | 589,096,000 |
| 2032 | 1,320,305,000 | 338,345,000 | 245,460,000 | 583,805,000 |
| 2033 | 1,351,159,000 | 322,855,000 | 252,210,000 | 575,065,000 |
| 2034 | 1,381,173,000 | 312,998,000 | 259,146,000 | 572,144,000 |
| 2035 | 1,409,426,000 | 315,735,000 | 266,272,000 | 582,007,000 |
| 2036 | 1,436,106,000 | 111,942,000 | 273,594,000 | 385,536,000 |

In Table III-4 above, we provide a projection of expected cash flows for the next 10 years for informational purposes. The Board may share these projections with its investment advisor for consideration of the gap shown between the cash expected to come into the Program through employer and member contributions and the cash expected to be paid out of the Program to provide benefit payments.

The expected benefit payments in Table III-4 were developed using the data currently included in this valuation and on the assumption that the actuarial assumptions disclosed in Appendix C will be exactly met. Actual benefit payments will differ as the amount and timing of payments will vary based on individual member experience. These benefit projections exclude any assumption about new Program participants, whose experience will eventually lead to increased benefit payments. However, we do not feel this exclusion will materially impact the projections for the period shown.

Expected employer contributions in this table use the budgeted contribution rates for FY 2027 through FY 2029. Future contributions beyond that point are developed based on the assumption that all actuarial assumptions will be exactly met in the projection period, including that the Market Value of Assets will earn 6.50% per year, that payroll grows at 2.75% per year, and that these rates are based on following the biennial budgeting process. These future employer contribution rates are shown graphically in the baseline projection on page 11.

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# SECTION III — ASSETS

The expected member contributions are similarly based on a 2.75% per year assumed increase in covered payroll multiplied by the current average aggregate member contribution rate of 7.72% for FY 2027.

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# SECTION IV — LIABILITIES

In this section, we present detailed information on Program liabilities, including:

- Disclosure of the Program's liabilities as of June 30, 2025 and June 30, 2026,
- Statement of changes in these liabilities during the year, and
- An allocation of liabilities to the Teacher, State Regular, and State Special Plans.

## Disclosure

Several types of liabilities are calculated and presented in this report. Each type is distinguished by the purpose for which the figures are ultimately used. We note that none of the liabilities presented in this report is an appropriate measure of a settlement liability.

- Present Value of Future Benefits (PVB): Used for analyzing the overall financial obligations of the Program, this represents the amount of money needed today to fully fund all future benefits of the Program, assuming no new members, that active members continue to earn salary increases and accrue benefits under their current Program provisions, and that all actuarial assumptions are exactly met, including the 6.50% per year investment return.
- Actuarial Liability (AL): Used for funding calculations and GASB disclosures, this liability is calculated by taking the PVB above and subtracting the value of accruals that are assigned to future years on a person-by-person basis. This offset is equal to the present value of future member contributions and future employer normal cost contributions under an acceptable actuarial cost method. For this Program and the other MainePERS DB Programs, the method used is referred to as the Entry Age Normal (EAN) Cost Method, which is the only permitted actuarial cost method for GASB disclosures.
- Present Value of Accrued Benefits (PVAB): Used for communicating the liabilities for benefits accrued as of the valuation date.

Table IV-1 that follows discloses each of these liabilities for the current and prior year's valuations. With respect to the Actuarial Liability and the Present Value of Accrued Benefits, a subtraction of the appropriate value of the Program's assets yields, for each respective type, a net surplus or an unfunded liability. For the PVB measure, it is compared to the Market Value of Assets plus the expected future value of contributions to the Program for current members. The future employer contributions are calculated as the current employer normal cost rate times the expected future payroll plus a payoff of the current UAL. The future member contributions are calculated assuming the current average rate of 7.72% will be continued for all future years and applied to the expected future payroll as of each date. The difference between the PVB and these anticipated resources indicates either an expected shortfall or an expected surplus, representing either additional funding required or excess funding, and indicates the size of the Program's stored gains or losses that remain outside of the valuation process currently.

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MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM STATE EMPLOYEE AND TEACHER RETIREMENT PROGRAM
ACTUARIAL VALUATION AS OF JUNE 30, 2026

# SECTION IV — LIABILITIES

## Table IV-1
## Disclosure of Liabilities

| | June 30, 2025 | June 30, 2026 |
|---|---|---|
| **Present Value of Benefits (PVB)** | | |
| Active Member Benefits | $ 9,465,114,667 | $ 10,293,112,188 |
| Retired, Disabled, Survivor, and Beneficiary Benefits | 11,067,866,637 | 11,139,560,422 |
| Terminated Vested Benefits | 867,797,526 | 906,451,171 |
| Terminated Nonvested Benefits | 95,156,542 | 101,117,577 |
| **Total PVB** | **$ 21,495,935,372** | **$ 22,440,241,358** |
| Market Value of Assets (MVA) | $ 16,888,911,440 | $ 18,412,340,261 |
| Future Member Contributions | 1,814,447,103 | 1,998,419,038 |
| Future Employer Contributions | 3,391,275,712 | 3,084,785,286 |
| Projected (Surplus)/Shortfall | (598,698,883) | (1,055,303,227) |
| **Total Resources** | **$ 21,495,935,372** | **$ 22,440,241,358** |
| **Actuarial Liability (AL)** | | |
| Present Value of Benefits (PVB) | $ 21,495,935,372 | $ 22,440,241,358 |
| Present Value of Future Normal Costs (PVFNC) | | |
| Employer Portion | 911,428,488 | 1,242,328,523 |
| Member Portion | 1,814,447,103 | 1,998,419,038 |
| **Actuarial Liability (AL = PVB – PVFNC)** | **$ 18,770,059,781** | **$ 19,199,493,797** |
| Actuarial Value of Assets (AVA) | 16,438,814,919 | 17,545,578,340 |
| **Net (Surplus)/Unfunded (AL – AVA)** | **$ 2,331,244,862** | **$ 1,653,915,457** |
| **Present Value of Accrued Benefits (PVAB)** | | |
| Present Value of Future Benefits (PVB) | $ 21,495,935,372 | $ 22,440,241,358 |
| Present Value of Future Benefit Accruals (PVFBA) | 4,591,962,411 | 5,249,790,826 |
| **Accrued Liability (PVAB = PVB – PVFBA)** | **$ 16,903,972,961** | **$ 17,190,450,532** |
| Market Value of Assets (MVA) | 16,888,911,440 | 18,412,340,261 |
| **Net (Surplus)/Unfunded (PVAB – MVA)** | **$ 15,061,521** | **$ (1,221,889,729)** |

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# SECTION IV — LIABILITIES

## Low-Default-Risk Obligation Measure (LDROM)

The System invests in a diversified portfolio with the objective of maximizing investment returns at a reasonable level of risk. A low-risk portfolio for a pension plan would be composed entirely of low-default-risk fixed income securities whose cash flows match the benefit cash flows of the System. Such a portfolio, however, would have a lower expected rate of return than the diversified portfolio. The LDROM represents what the funding liability would be if the System invested its assets in such a portfolio. As of June 30, 2026, we estimate that a portfolio composed only of US Treasury securities would have an expected return of 4.85% compared to the System's discount rate of 6.50%, and the LDROM would be $23.2 billion compared to the Actuarial Liability of $19.2 billion. The $4 billion difference represents the expected taxpayer savings from bearing the risk of investing in the diversified portfolio. Alternatively, it also represents the cost of eliminating the investment risk.

If the System were to invest in the LDROM portfolio, the reported funded status would decrease, and contribution requirements would increase. Benefit security for members of the Program relies on a combination of the assets in the System, the investment returns generated on those assets, and the promise of future contributions. If the System were to invest in the LDROM portfolio, it would not change the amount of assets currently in the System, but it would reduce expected future investment returns and increase expected future contributions. However, the range of future investment returns and future contributions needed would narrow significantly.

## Changes in Liabilities

Each of the liabilities disclosed in Table IV-1 is expected to change at each subsequent valuation. The components of these changes, depending upon which liability is analyzed, can include:

- New Program members since the last valuation
- Benefits accrued since the last valuation
- Program amendments changing benefits since the last valuation
- Passage of time, which adds interest to the prior liability
- Benefits paid to members since the last valuation
- Members retiring, terminating, or dying at rates different than expected since the last valuation
- Salaries changing at rates different than expected since the last valuation
- A change in actuarial assumptions since the last valuation
- A change in the actuarial cost method since the last valuation

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# SECTION IV — LIABILITIES

Unfunded liability measurements will change because of all of the above, as well as due to changes in the Program's asset measurements resulting from:

- Contributions being different than expected
- Investment earnings being different than expected
- A change in the method used to measure the Program's assets in developing the unfunded liability measure since the last valuation

In each valuation, we report on those elements of change in the Program's liability measures that are of particular significance, potentially affecting the long-term financial outlook of the Program. In Table IV-2 that follows, we present key changes in the Program's liability measures since the last valuation.

**Table IV-2**

| | Present Value of Future Benefits | Actuarial Liability | Present Value of Accrued Benefits |
|---|---|---|---|
| Liability Measurement – June 30, 2025 | $ 21,495,935,372 | $ 18,770,059,781 | $ 16,903,972,961 |
| Liability Measurement – June 30, 2026 | 22,440,241,358 | 19,199,493,797 | 17,190,450,532 |
| Liability Measurement Increase/ (Decrease) Due to: | $ 944,305,986 | $ 429,434,016 | $ 286,477,571 |
| Program Amendment | $ 3,720,277 | $ 2,855,717 | $ 3,403,785 |
| Assumption Change | 172,509,271 | (197,797,613) | (48,257,216) |
| Actuarial (Gain)/Loss | N/C | 223,724,516 | N/C |
| Benefits Accumulated and Other Sources | $ 768,076,438 | $ 400,651,396 | $ 331,331,002 |

N/C = Not calculated

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# SECTION IV — LIABILITIES

Table IV-3 below presents the Actuarial Liability information for the Program in total as well as divided into the Teacher Program, the State Regular Plans, and the State Special Plans.

**Table IV-3**
**Allocation of Actuarial Liability as of June 30, 2026**

| | Total Program | Teacher Program | State Regular Plans | State Special Plans |
|---|---|---|---|---|
| 1. Actuarial Liabilities for: | | | | |
| a. Active Members | $ 7,052,364,627 | $ 4,764,822,644 | $ 1,798,445,919 | $ 489,096,064 |
| b. Retired, Disabled, Survivor, and Beneficiary Members | 11,139,560,422 | 7,040,806,662 | 3,589,858,578 | 508,895,182 |
| c. Terminated (Vested & Nonvested) Members | 1,007,568,748 | 691,201,263 | 279,956,248 | 36,411,237 |
| 2. Total Actuarial Liability [1(a) + 1(b) + 1(c)] | $19,199,493,797 | $ 12,496,830,569 | $ 5,668,260,745 | $1,034,402,483 |
| 3. Actuarial Value of Assets | 17,545,578,340 | 11,580,392,556 | 5,082,560,880 | 882,624,904 |
| 4. Unfunded Actuarial Liability (2 – 3) | $ 1,653,915,457 | $ 916,438,013 | $ 585,699,865 | $ 151,777,579 |

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# SECTION V — CONTRIBUTIONS

In this section, we present detailed information on informational employer contribution rates as developed in this June 30, 2026 valuation for the Program, including:

- Development of the composite total employer contribution rate, including the composite employer normal cost rate (NC rate) and the composite Unfunded Actuarial Liability (UAL) amortization rate (UAL amortization rate),
- Summary of the employer normal cost rate, the UAL rate, and the total employer rate by Plan,
- Derivation and division of the composite UAL rate into the two component Programs, Teacher and State, and
- Allocation of the UAL rate for the total State Program into each State Regular and Special Plan.

Note that these contribution rates are only informational, and the actual contribution rates are set by the budgeting process described in the Board Summary at the beginning of this report.

## Description of Rate Components

For the Plans in this Program, the funding methodology employed to determine the employer contribution rates is the Entry Age Normal (EAN) Cost Method. Under this method, there are two components to the total employer contribution rate: the NC rate and the UAL amortization rate. Both of these rates are developed separately for each Plan within the Program, consisting of the Teacher Plan, the State Regular Plan, and several State Special Plans.

An individual EAN cost rate is determined for each active member. The normal cost is determined by the following steps. First, an individual normal cost rate for each member is determined by taking the value of their projected future benefits, as of entry age into the Program. Second, this value is then divided by the value, also at entry age, of the member's expected future salary. Finally, the resulting total normal cost rate is reduced by the member contribution rate to produce the employer's normal cost rate for the member. These rates are then multiplied by each member's salary as of the valuation date and added together to get the total employer normal cost dollars as of the valuation date for the Program, which is then divided by the total payroll at the valuation date for the Program to get the employer normal cost rate for the Program. This process results in specific total and employer normal cost rates for each of the Plans in the Program.

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# SECTION V — CONTRIBUTIONS

The Unfunded Actuarial Liability under the EAN Cost Method equals the present value at the time of valuation of the future benefit payments, less the present value of future employer normal cost contributions, future member contributions, and current assets. The UAL amortization rate is the percentage that, when applied to member payroll, which is assumed to increase 2.75% per year, is expected to amortize the UAL according to the Program's amortization policy. Specifically, the remaining original UAL from 1996 has two years of its amortization period remaining, the UAL amount for the period from 1997 through 2011 has two years of its amortization period remaining, and all other gains, losses, and changes since then are amortized over individual 20-year periods beginning on the date as of which they were first measured with the exception of the gain base related to FY 2014, for which the amortization was accelerated by six years beginning with the 2022 ratemaking. As such, we have similarly accelerated the amortization of this base in developing the informational rates contained in this report, with a remaining period of two years as of June 30, 2026.

## Contribution Calculations

Table V-1 below presents and compares the composite total employer contribution rate, as well as its two components, for all Plans in the Program in aggregate as developed in this valuation and the prior one.

**Table V-1**
**Composite Total Employer Rate**

| Valuation Date | June 30, 2025 | June 30, 2026 |
|---|---|---|
| Composite Employer NC Rate | 4.50% | 5.52% |
| Composite UAL Amortization Rate | 15.48% | 14.50% |
| Composite Total Employer Rate | 19.98% | 20.02% |

The rates developed in this section are for informational purposes only. Actual budgeted rates are set based on the ratemaking process described in the Board Summary section.

Table V-2 that follows shows the employer NC rate, the UAL amortization rate, and the total employer rate for each Plan in the Program, as well as the Program in total, and divided into the Teacher and State Programs.

The liability and resulting necessary contributions associated with groups that no longer have any active participants as of the current valuation date are included with the State Regular Program. With this valuation, the Inland F&W Closed Plan no longer has any active participants and, as such, is no longer included within Table V-2.

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MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM STATE EMPLOYEE AND TEACHER RETIREMENT PROGRAM
ACTUARIAL VALUATION AS OF JUNE 30, 2026

# SECTION V — CONTRIBUTIONS

## Table V-2
## Total Employer Contribution Rates by Plan

| Valuation Date June 30, 2026 | Total NC Rate | Employee Contribution Rate | Employer NC Rate | UAL Contribution Rate | Total Employer Contribution Rate |
|---|---|---|---|---|---|
| Total Program | 13.24% | 7.72% | 5.52% | 14.50% | 20.02% |
| Teacher Program | 12.90% | 7.65% | 5.25% | 13.56% | 18.81% |
| State Program | 13.79% | 7.83% | 5.96% | 16.09% | 22.05% |
| State Regular | 13.38% | 7.65% | 5.73% | 15.59% | 21.32% |
| 25 & Out Plan | 14.08% | 8.65% | 5.43% | 16.44% | 21.87% |
| 1998 Special Plan | 16.57% | 8.65% | 7.92% | 19.32% | 27.24% |
| Fire Marshals | 17.26% | 8.65% | 8.61% | 20.13% | 28.74% |

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MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM STATE EMPLOYEE AND TEACHER RETIREMENT PROGRAM
ACTUARIAL VALUATION AS OF JUNE 30, 2026

# SECTION V — CONTRIBUTIONS

Table V-3 that follows provides the development of the 14.50% UAL amortization rate for the Program as a whole and divided between the Teacher and State Programs.

**Table V-3**
**Derivation of Unfunded Actuarial Liability Rates**

| Valuation Date June 30, 2026 | Teacher Program | State Program (Regular and Special Plans) | Total Program |
|---|---|---|---|
| 1. Actuarial Liability (AL) | $ 12,496,830,569 | $ 6,702,663,228 | $ 19,199,493,797 |
| 2. Actuarial Value of Assets (AVA) | 11,580,392,556 | 5,965,185,784 | 17,545,578,340 |
| 3. Unfunded Actuarial Liability (UAL) | $ 916,438,013 | $ 737,477,444 | $ 1,653,915,457 |
| 4. Remaining Balances of Prior Amortization Bases | | | |
| a. 1996 UAL Amount | $ 642,721,686 | $ 370,096,452 | $ 1,012,818,138 |
| b. 1997-2011 UAL Base | (245,072,404) | (141,119,288) | (386,191,692) |
| c. 2012 (Gain)/Loss Base | 17,985,815 | 16,023,627 | 34,009,442 |
| d. 2013 (Gain)/Loss Base | (85,022,851) | 95,565,289 | 10,542,438 |
| e. 2014 (Gain)/Loss Base | (71,976,503) | (32,550,384) | (104,526,887) |
| f. 2015 (Gain)/Loss Base | 2,854,041 | (4,570,506) | (1,716,465) |
| g. 2016 (Gain)/Loss Base | 139,825,722 | 156,670,117 | 296,495,839 |
| h. 2017 (Gain)/Loss Base | 87,794,359 | 15,963,745 | 103,758,104 |
| i. 2018 (Gain)/Loss Base | 96,959,790 | 25,385,073 | 122,344,863 |
| j. 2019 (Gain)/Loss Base | 130,521,514 | 21,789,941 | 152,311,455 |
| k. 2020 (Gain)/Loss Base | 24,614,034 | 77,967,240 | 102,581,274 |
| l. 2021 (Gain)/Loss Base | 379,665,092 | 72,691,884 | 452,356,976 |
| m. 2022 (Gain)/Loss Base | 14,901,692 | (15,301,618) | (399,926) |
| n. 2023 (Gain)/Loss Base | 57,966,796 | 34,832,163 | 92,798,959 |
| o. 2024 (Gain)/Loss Base | 13,426,735 | 40,179,401 | 53,606,136 |
| p. 2025 (Gain)/Loss Base | 25,880,482 | 88,392,380 | 114,272,862 |
| q. 2026 (Gain)/Loss Base | (316,607,987) | (84,538,072) | (401,146,059) |
| r. Sum of the Bases | $ 916,438,013 | $ 737,477,444 | $ 1,653,915,457 |

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ACTUARIAL VALUATION AS OF JUNE 30, 2026

# SECTION V — CONTRIBUTIONS

## Table V-3 (continued)
## Derivation of Unfunded Actuarial Liability Rates

| Valuation Date June 30, 2026 | Teacher Program | State Program (Regular and Special Plans) | Total Program |
|---|---|---|---|
| 5. UAL Amortizations | | | |
| a. 1996 UAL Amount 2 Years | $ 337,584,034 | $ 194,389,976 | $ 531,974,010 |
| b. 1997-2011 UAL Base 2 Years | (128,722,171) | (74,121,691) | (202,843,862) |
| c. 2012 (Gain)/Loss Base 6 Years | 3,377,222 | 3,008,779 | 6,386,001 |
| d. 2013 (Gain)/Loss Base 7 Years | (13,921,956) | 15,648,214 | 1,726,258 |
| e. 2014 (Gain)/Loss Base 2 Years | (37,805,039) | (17,096,809) | (54,901,848) |
| f. 2015 (Gain)/Loss Base 9 Years | 376,102 | (602,295) | (226,193) |
| g. 2016 (Gain)/Loss Base 10 Years | 16,866,207 | 18,898,029 | 35,764,236 |
| h. 2017 (Gain)/Loss Base 11 Years | 9,790,413 | 1,780,202 | 11,570,615 |
| i. 2018 (Gain)/Loss Base 12 Years | 10,078,320 | 2,638,608 | 12,716,928 |
| j. 2019 (Gain)/Loss Base 13 Years | 12,732,714 | 2,125,666 | 14,858,380 |
| k. 2020 (Gain)/Loss Base 14 Years | 2,266,708 | 7,180,007 | 9,446,715 |
| l. 2021 (Gain)/Loss Base 15 Years | 33,171,322 | 6,351,087 | 39,522,409 |
| m. 2022 (Gain)/Loss Base 16 Years | 1,240,611 | (1,273,906) | (33,295) |
| n. 2023 (Gain)/Loss Base 17 Years | 4,616,061 | 2,773,784 | 7,389,845 |
| o. 2024 (Gain)/Loss Base 18 Years | 1,026,158 | 3,070,771 | 4,096,929 |
| p. 2025 (Gain)/Loss Base 19 Years | 1,903,992 | 6,502,907 | 8,406,899 |
| q. 2026 (Gain)/Loss Base 20 Years | (22,481,360) | (6,002,789) | (28,484,149) |
| r. Sum of Amortization Payments | $ 232,099,338 | $ 165,270,540 | $ 397,369,878 |

The amortization of the FY 2014 base was accelerated by six years beginning with the 2022 ratemaking.

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ACTUARIAL VALUATION AS OF JUNE 30, 2026

# SECTION V — CONTRIBUTIONS

## Table V-3 (continued)
## Derivation of Unfunded Actuarial Liability Rates

| Valuation Date June 30, 2026 | Teacher Program | State Program (Regular and Special Plans) | Total Program |
|---|---|---|---|
| 6. Covered Payroll | $ 1,711,554,778 | $ 1,027,260,016 | $ 2,738,814,794 |
| 7. UAL Amortization Rates | | | |
| a. 1996 UAL Amount 2 Years | 19.72% | 18.92% | 19.43% |
| b. 1997-2011 UAL Base 2 Years | (7.52)% | (7.22)% | (7.41)% |
| c. 2012 (Gain)/Loss Base 6 Years | 0.20% | 0.29% | 0.23% |
| d. 2013 (Gain)/Loss Base 7 Years | (0.81)% | 1.52% | 0.06% |
| e. 2014 (Gain)/Loss Base 2 Years | (2.21)% | (1.66)% | (2.00)% |
| f. 2015 (Gain)/Loss Base 9 Years | 0.02% | (0.06)% | (0.01)% |
| g. 2016 (Gain)/Loss Base 10 Years | 0.99% | 1.84% | 1.31% |
| h. 2017 (Gain)/Loss Base 11 Years | 0.57% | 0.17% | 0.42% |
| i. 2018 (Gain)/Loss Base 12 Years | 0.59% | 0.26% | 0.46% |
| j. 2019 (Gain)/Loss Base 13 Years | 0.74% | 0.21% | 0.54% |
| k. 2020 (Gain)/Loss Base 14 Years | 0.13% | 0.70% | 0.34% |
| l. 2021 (Gain)/Loss Base 15 Years | 1.94% | 0.62% | 1.44% |
| m. 2022 (Gain)/Loss Base 16 Years | 0.07% | (0.12)% | 0.00% |
| n. 2023 (Gain)/Loss Base 17 Years | 0.27% | 0.27% | 0.27% |
| o. 2024 (Gain)/Loss Base 18 Years | 0.06% | 0.30% | 0.15% |
| p. 2025 (Gain)/Loss Base 19 Years | 0.11% | 0.63% | 0.31% |
| q. 2026 (Gain)/Loss Base 20 Years | (1.31)% | (0.58)% | (1.04)% |
| **r. Sum of UAL Amortization Rates** | **13.56%** | **16.09%** | **14.50%** |

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Table V-4 below shows the development of the UAL amortization rate for each specific Plan within the State Program.

**Table V-4**
**Allocation of Unfunded Actuarial Liability Amortization Rate within State Program**
**(Regular & Special Plans)**

| Valuation Date June 30, 2026 | Total State Program | State Regular Plan | 25 & Out Plan | 1998 Special Plan | Fire Marshals |
|---|---|---|---|---|---|
| 1. Employer NC Rate | 5.96% | 5.73% | 5.43% | 7.92% | 8.61% |
| 2. Member Contribution Rate | 7.83% | 7.65% | 8.65% | 8.65% | 8.65% |
| 3. Total NC Rate | 13.79% | 13.38% | 14.08% | 16.57% | 17.26% |
| 4. UAL Amortization Rates* | | | | | |
| a. 1996 UAL Amount | 18.92% | 18.36% | 19.32% | 22.73% | 23.68% |
| b. 1997-2011 UAL Base | (7.22)% | (7.01)% | (7.37)% | (8.68)% | (9.04)% |
| c. 2012 Loss Base | 0.29% | 0.28% | 0.30% | 0.35% | 0.36% |
| d. 2013 Loss Base | 1.52% | 1.47% | 1.55% | 1.83% | 1.90% |
| e. 2014 Gain Base | (1.66)% | (1.61)% | (1.69)% | (1.99)% | (2.08)% |
| f. 2015 Gain Base | (0.06)% | (0.06)% | (0.06)% | (0.07)% | (0.08)% |
| g. 2016 Loss Base | 1.84% | 1.79% | 1.88% | 2.21% | 2.30% |
| h. 2017 Loss Base | 0.17% | 0.16% | 0.17% | 0.20% | 0.21% |
| i. 2018 Loss Base | 0.26% | 0.25% | 0.27% | 0.31% | 0.33% |
| j. 2019 Loss Base | 0.21% | 0.20% | 0.21% | 0.25% | 0.26% |
| k. 2020 Loss Base | 0.70% | 0.68% | 0.71% | 0.84% | 0.88% |
| l. 2021 Loss Base | 0.62% | 0.60% | 0.63% | 0.74% | 0.78% |
| m. 2022 Gain Base | (0.12)% | (0.12)% | (0.12)% | (0.14)% | (0.15)% |
| n. 2023 Loss Base | 0.27% | 0.26% | 0.28% | 0.32% | 0.34% |
| o. 2024 Loss Base | 0.30% | 0.29% | 0.31% | 0.36% | 0.38% |
| p. 2025 Loss Base | 0.63% | 0.61% | 0.64% | 0.76% | 0.79% |
| q. 2026 Loss Base | (0.58)% | (0.56)% | (0.59)% | (0.70)% | (0.73)% |
| **r. Sum of Amortization Rates** | **16.09%** | **15.59%** | **16.44%** | **19.32%** | **20.13%** |

* The UAL amortization rate for the State Program in total is allocated to each of the Plans within the Program based on the ratio of that Plan's total NC rate to the 13.79% total NC rate for the State Program in total.

The rates developed in this section are for informational purposes only. Actual budgeted rates are set based on the ratemaking process described in the Board Summary section.

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# SECTION V — CONTRIBUTIONS

Table V-5 shows the anticipated future amortization through FY 2028 of the UAL attributable to periods before FY 2012. This chart assumes that the current discount rate of 6.50% and the aggregate, or across-the-board, payroll increase of 2.75% applies to each year in the future.

**Table V-5**
**UAL Amortization for periods before FY 2012**
**Total Program**

| June 30, | UAL Balance | UAL Payment |
|---|---|---|
| 2026 | $626,626,446 | $329,130,148 |
| 2027 | 327,698,679 | 338,181,226 |
| 2028 | - | - |

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# SECTION VI — FINANCIAL DISCLOSURE INFORMATION

This section contains financial disclosure information regarding the Program developed under a number of accounting standards and guidance.

First, for informational purposes, we show the Program's funded status under the Financial Accounting Standards Board (FASB) ASC 960, which discloses how the Market Value of Assets would compare to accrued liabilities if contributions were to stop and accrued benefit claims had to be satisfied as of the valuation date. However, due to potential legal requirements and the possibility that alternative interest rates would have to be used to determine the liabilities, these values may not be a good indication of the amount of money it would take to buy the benefits for all members if all provisions of the Program were to terminate. We have prepared the following exhibit in this section based on FASB ASC 960:

- Table VI-1: Accrued Benefits Information

The Governmental Accounting Standards Board (GASB) Statement Nos. 67 and 68 establish standards for disclosure of pension information by public employee retirement systems (PERS) and governmental employers in financial statements, notes to financial statements, and supplementary information. We have prepared the following exhibits reflecting provisions of GASB Statement Nos. 67 and 68:

- Table VI-2: Schedule of Changes in Net Pension Liability and Related Ratios
- Table VI-3: Sensitivity of Net Pension Liability to Changes in Discount Rate
- Table VI-4: Schedule of Employer Contributions
- Table VI-5: Average Expected Remaining Service Lives

A summary of the terminology used in GASB Statement Nos. 67 and 68 is provided in Appendix D of this report. Note that while much of the information provided in this report under GASB No. 67 is also utilized in GASB No. 68, Table VI-5 included in this section is only applicable to GASB No. 68.

Finally, we have also developed disclosure information in this section based on additional guidance relating to the Annual Comprehensive Financial Reports (ACFR) of PERS provided by the Government Finance Officers Association (GFOA) in their publication, Governmental Accounting, Auditing, and Financial Reporting (GAAFR). We have prepared the following exhibits reflecting guidance in the GAAFR:

- Table VI-6: Analysis of Financial Experience
- Table VI-7: Schedule of Funded Liabilities by Type

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# SECTION VI — FINANCIAL DISCLOSURE INFORMATION

The Present Value of Accrued Benefits, the Total Pension Liability (GASB 67/68), and the Actuarial Liability (GAAFR) disclosures in this section are all determined assuming that the Program is ongoing and participants continue to terminate employment, retire, etc., in accordance with the actuarial assumptions. Liabilities as of June 30, 2026 are discounted at the assumed valuation interest rate of 6.50% per annum in all of these disclosures.

Table VI-1 below includes the relevant amounts as of June 30, 2025 and June 30, 2026 as well as a reconciliation between the two dates under FASB ASC 960.

**Table VI-1**
**Accrued Benefits Information**

| | June 30, 2025 | June 30, 2026 |
|---|---|---|
| **FASB ASC 960 Basis** | | |
| 1. Present Value of Benefits Accrued to Date (PVAB) | | |
| a. Members Currently Receiving Payments | $ 11,067,866,637 | $ 11,139,560,422 |
| b. Terminated Vested Members | 867,797,526 | 906,451,171 |
| c. Terminated Nonvested Members | 95,156,542 | 101,117,577 |
| d. Active Members | 4,873,152,256 | 5,043,321,362 |
| e. Total PVAB | $ 16,903,972,961 | $ 17,190,450,532 |
| 2. Market Value of Assets (MVA) | 16,888,911,440 | 18,412,340,261 |
| 3. Unfunded Present Value of Accrued Benefits, but not less than Zero | $ 15,061,521 | $ 0 |
| 4. Ratio of MVA to PVAB (2)/(1)(e) | 99.9% | 107.1% |
| **Change in Present Value of Benefits Accrued to Date during FY 2026** | | |
| Increase/(Decrease) during Year Attributable to: | | |
| Passage of Time | | $ 1,062,746,333 |
| Benefits Paid | | (1,125,781,237) |
| Assumption Changes | | (48,257,216) |
| Program Changes | | 3,403,785 |
| Benefits Accrued, Other Gains/Losses | | 394,365,906 |
| Net Increase (Decrease) | | $ 286,477,571 |

Table VI-2 that follows shows the changes in the Total Pension Liability (TPL), the Program's Fiduciary Net Position (FNP) (i.e., fair value of the Program's net assets), and the Net Pension Liability (NPL) during the measurement year ending June 30, 2026 as well as related ratios calculated under the provisions of GASB Statement No. 67 for the Program.

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MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM STATE EMPLOYEE AND TEACHER RETIREMENT PROGRAM
ACTUARIAL VALUATION AS OF JUNE 30, 2026

# SECTION VI — FINANCIAL DISCLOSURE INFORMATION

As of the June 30, 2026 valuation, the Fiduciary Net Position for this Program was projected to be available to make all projected future benefit payments for current Program members. As such, the long-term expected rate of return on the Program's investments was applied to all periods of projected benefit payments in determining the Total Pension Liability under GASB Nos. 67 and 68. The projection of cash flows used to determine the discount rate assumes that member contributions will be made at the current contribution rates, and the employer contributions will be made according to the actuarial calculations developed in the biennial ratemaking process.

**Table VI-2**
**Schedule of Changes in Net Pension Liability and Related Ratios FY 2026**

| | Teacher Program | State Program | Total State and Teacher Program |
|---|---|---|---|
| **Total Pension Liability (TPL)** | | | |
| Service Cost (SC) | $ 200,533,800 | $ 131,109,997 | $ 331,643,797 |
| Interest (includes Interest on SC) | 781,104,516 | 413,684,320 | 1,194,788,836 |
| Changes of Benefit Terms | 0 | 2,855,717 | 2,855,717 |
| Differences Between Actual and Expected Experience | 180,225,874 | 43,498,642 | 223,724,516 |
| Changes of Assumptions | (218,237,341) | 20,439,728 | (197,797,613) |
| Benefit Payments, including Refunds of Member Contributions | (718,883,808) | (406,897,429) | (1,125,781,237) |
| Net Change in TPL | $ 224,743,041 | $ 204,690,975 | $ 429,434,016 |
| **Beginning of Year (BOY) TPL** | **12,272,087,528** | **6,497,972,253** | **18,770,059,781** |
| **End of Year (EOY) TPL** | **$ 12,496,830,569** | **$ 6,702,663,228** | **$ 19,199,493,797** |
| **Program Fiduciary Net Position (FNP)** | | | |
| Employer Contributions | $ 312,963,450 | $ 228,452,995 | $ 541,416,445 |
| Member Contributions | 127,188,536 | 74,930,004 | 202,118,540 |
| Transfers | (400) | (1,709,217) | (1,709,617) |
| Net Investment Income | 1,270,055,872 | 653,656,476 | 1,923,712,348 |
| Benefit Payments, including Refunds of Member Contributions | (718,883,808) | (406,897,429) | (1,125,781,237) |
| Administrative Expense | (10,800,681) | (5,526,977) | (16,327,658) |
| Net Change in FNP | $ 980,522,969 | $ 542,905,852 | $ 1,523,428,821 |
| **BOY FNP** | **11,171,947,811** | **5,716,963,629** | **16,888,911,440** |
| **EOY FNP** | **$ 12,152,470,780** | **$ 6,259,869,481** | **$ 18,412,340,261** |
| **EOY Net Pension Liability (NPL)** | **$ 344,359,789** | **$ 442,793,747** | **$ 787,153,536** |
| FNP as a Percentage of TPL | 97.2% | 93.4% | 95.9% |
| Covered Payroll (for FY 2026) | 1,664,052,181 | 1,061,134,892 | 2,725,187,073 |
| NPL as a Percentage of Covered Payroll | 20.7% | 41.7% | 28.9% |

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# SECTION VI — FINANCIAL DISCLOSURE INFORMATION

## Notes to Schedule of Changes in Net Pension Liability and Related Ratios

None.

A 10-year schedule of changes in NPL and related ratios is to be included within the ACFR for PERS. We have shown only the current year of this Schedule of Changes in Net Pension Liability and Related Ratios above and believe that you can accumulate the individual years in the MainePERS ACFRs to show the full 10-year schedule. Notes to this schedule should be included for any factors significantly impacting the trends reported within the period shown in this schedule at that time. As of June 30, 2026, we have not included suggested information for such a note in the Notes to Schedule of Changes in Net Pension Liability and Related Ratios above. However, it is our expectation that the System's staff will make the final determination regarding any notes needed for this schedule, and we are available to provide any information they may need for this purpose.

Table VI-3 below illustrates the sensitivity of the Net Pension Liability (NPL) to the discount rate. Changes in the discount rate affect the measurement of the Total Pension Liability (TPL) for the Program. Lower discount rates produce a higher TPL, and higher discount rates produce a lower TPL. Because the discount rate does not affect the measurement of assets, the percentage change in the Net Pension Liability (NPL) can be very significant for relatively small changes in the discount rate.

**Table VI-3**
**Sensitivity of Net Pension Liability to Changes in Discount Rate**
**FY 2026**

| | 1% Decrease 5.50% | Discount Rate 6.50% | 1% Increase 7.50% |
|---|---|---|---|
| **Teacher Program** | | | |
| Total Pension Liability (TPL) | $ 14,046,604,415 | $ 12,496,830,569 | $ 11,199,054,488 |
| Program Fiduciary Net Position (FNP) | 12,152,470,780 | 12,152,470,780 | 12,152,470,780 |
| Net Pension Liability (NPL) | $ 1,894,133,635 | $ 344,359,789 | $ (953,416,292) |
| FNP as a Percentage of TPL | 86.5% | 97.2% | 108.5% |
| **State Program** | | | |
| Total Pension Liability (TPL) | $ 7,489,101,860 | $ 6,702,663,228 | $ 6,042,214,883 |
| Program Fiduciary Net Position (FNP) | 6,259,869,481 | 6,259,869,481 | 6,259,869,481 |
| Net Pension Liability (NPL) | $ 1,229,232,379 | $ 442,793,747 | $ (217,654,598) |
| FNP as a Percentage of TPL | 83.6% | 93.4% | 103.6% |
| **Total State Employee and Teacher Program** | | | |
| Total Pension Liability (TPL) | $ 21,535,706,275 | $ 19,199,493,797 | $ 17,241,269,371 |
| Program Fiduciary Net Position (FNP) | 18,412,340,261 | 18,412,340,261 | 18,412,340,261 |
| Net Pension Liability (NPL) | $ 3,123,366,014 | $ 787,153,536 | $ (1,171,070,890) |
| FNP as a Percentage of TPL | 85.5% | 95.9% | 106.8% |

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# SECTION VI — FINANCIAL DISCLOSURE INFORMATION

A one percent decrease in the discount rate increases the TPL for the total Program by approximately 12% and increases the NPL by approximately 297%. A one percent increase in the discount rate decreases the TPL by approximately 10% and decreases the NPL by approximately 249%.

Table VI-4 that follows provides information relating to the employer contributions for the Program. Under GASB Statement No. 67, if an Actuarially Determined Contribution (ADC) or a contractually or statutorily required contribution (CRC) is developed for a single employer or cost-sharing plan, the following schedule is required. For purposes of this schedule, an ADC is a contribution amount determined in accordance with Actuarial Standards of Practice, and a CRC is based on statutory or contractual requirements. Both should exclude any amounts to finance specific liabilities of individual employers of the Program. If an ADC is available, the schedule of employer contributions should be developed on that basis. If there is no ADC, but there is a CRC, the schedule should be developed on that basis. Only if neither an ADC nor a CRC is developed can this schedule be omitted from the MainePERS's ACFR.

The Program's rates, set in the ratemaking process, meet the definition of a reasonable ADC, so for this Program, this schedule should be developed on that basis. Based on GASB guidance, a full 10 years of information should be shown in this schedule. We have shown only the current year of this Schedule of Employer Contributions below and believe that you can accumulate these in the MainePERS ACFR to show the full 10-year schedule.

Only the current year of the Notes to Schedule of Employer Contributions below needs to be included in the notes to this schedule. However, any factors that significantly affect trends in the Schedule of Employer Contributions at any point in the 10-year period should also be included in the notes to this schedule. As of June 30, 2026, we have not included such a note in the Notes to Schedule of Employer Contributions below. However, it is our expectation that the System's staff will make the final determination regarding any notes needed for this schedule, and we are available to provide any additional information that they may need for this purpose.

**Table VI-4**
**Schedule of Employer Contributions**
**FY 2026**

| | Teacher Program | State Program | Total State and Teacher Program |
|---|---|---|---|
| Actuarially Determined Contribution (ADC) | $ 312,841,810 | $ 225,597,278 | $ 538,439,088 |
| Contributions in Relation to the ADC | 312,841,810 | 225,597,278 | 538,439,088 |
| Contribution Deficiency/(Excess) | $ 0 | $ 0 | $ 0 |
| Covered Payroll (Payroll) (for FY 2026) | $ 1,664,052,181 | $1,061,134,892 | $ 2,725,187,073 |
| Contributions as a Percentage of Payroll | 18.80% | 21.26% | 19.76% |

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# SECTION VI — FINANCIAL DISCLOSURE INFORMATION

## Notes to Schedule of Employer Contributions

Valuation Date: June 30, 2023

Timing: June 30, 2026 ADC rates are calculated based on 2024 liabilities developed as a roll-forward of the 2022 valuation liability, adjusted for expected experience and any assumption or methodology changes during FY 2024, using preliminary assets as of June 30, 2024.

## Key Methods and Assumptions Used to Determine Contribution Rates

**Actuarial Cost Method:** Entry Age Normal

**Asset Valuation Method:** Three-year smoothed market

**Amortization Method:** Level percentage of payroll, closed periods. Cumulative UAL from prior to 2012 amortized over a remaining seven years from July 1, 2021. Subsequent layers of UAL amortized over individual 20-year periods.

**Discount Rate:** 6.50%

**Amortization Growth Rate:** 2.75%

**Price Inflation:** 2.75%

**Salary Increases:** 2.75% plus merit component based on employee's years of service

**Mortality:** State Employee Program

Healthy Retirees: 112.1% and 118.5% of the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, respectively, for males and females.

Active Lives: 83.5% and 88.6% of the 2010 Public Plan General Benefits-Weighted Employee Mortality Table, respectively, for males and females.

Disabled Annuitants: 107.3% and 103.2% of the 2010 Public Plan Non-Safety Benefits-Weighted Disabled Retiree Mortality Tables, respectively, for males and females.

All tables projected generationally from the 2010 base rates using the RPEC_2020 model with an ultimate rate of 1.00% for ages 80 and under, grading down to 0.05% at age 95, and further grading down to 0.00% at age 115, along with convergence to the ultimate rates in the year 2027.

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# SECTION VI — FINANCIAL DISCLOSURE INFORMATION

## Teacher Program

Healthy Retirees: 98.1% and 87.5%, respectively for male ages before 85 and females before age 80 (106.4% and 122.3% respectively for males on and after age 85 and females on and after age 80) of the 2010 Public Plan Teachers Benefits-Weighted Healthy Retiree Mortality Table.

Active Lives: 93.1% and 91.9% of the 2010 Public Plan Teacher Benefits-Weighted Employee Mortality Table, respectively, for males and females.

Disabled Annuitants: 94.2% and 123.8% of the 2010 Public Plan Non-Safety Benefits-Weighted Disabled Retiree Mortality Tables, respectively, for males and females.

All tables projected generationally from the 2010 base rates using the RPEC_2020 model with an ultimate rate of 1.00% for ages 80 and under, grading down to 0.05% at age 95, and further grading down to 0.00% at age 115, along with convergence to the ultimate rates in the year 2027.

A complete description of the methods and assumptions used to determine contribution rates for the year ending June 30, 2026 can be found in the June 30, 2024 Actuarial Valuation Report.

## Other Information

None.

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# SECTION VI — FINANCIAL DISCLOSURE INFORMATION

Table VI-5 that follows is provided in this report at the request of MainePERS staff, showing the development of the average remaining service life for the Program. GASB No. 68 requires some items be recognized by employers into pension expense over a period "equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan (active employees and inactive employees) determined as of the beginning of the measurement period." For the current measurement year ending on June 30, 2026, these values are thus developed as of June 30, 2025. Note that the decision was made to apply GASB No. 68 separately to the Teacher Program and the State Program based upon paragraph 19 of that statement, so this value has been provided separately for these Programs. Also note that the decision was made to use these averages based on rounding to the nearest whole year, so the values are thus shown as such.

**Table VI-5**
**Average Expected Remaining Service Lives**
**For Measurement Year Ending June 30, 2026**

| Teacher Program<br>Status | Total Expected Future Service | Count | Average Remaining Service Lives |
|---|---|---|---|
| Active Members | 327,154 | 28,240 | 12 |
| In-Pay Members | 0 | 23,887 | 0 |
| Terminated Vested Members | 0 | 6,090 | 0 |
| Inactives Due Refunds | 0 | 29,299 | 0 |
| Total Membership | 327,154 | 87,516 | 4 |

| State Program<br>Status | Total Expected Future Service | Count | Average Remaining Service Life |
|---|---|---|---|
| Actives | 128,806 | 13,338 | 10 |
| In-Pay Members | 0 | 16,191 | 0 |
| Terminated Vested Members | 0 | 3,313 | 0 |
| Inactives Due Refunds | 0 | 9,839 | 0 |
| Total Membership | 128,806 | 42,681 | 3 |

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MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM STATE EMPLOYEE AND TEACHER RETIREMENT PROGRAM
ACTUARIAL VALUATION AS OF JUNE 30, 2026

# SECTION VI — FINANCIAL DISCLOSURE INFORMATION

Table VI-6 below is a gain/loss analysis of the changes in the Actuarial Liability over the past six years, reflecting variances between actual experience and assumed experience for different kinds of risk as specified in the GFOA GAAFR.

**Table VI-6**
**Analysis of Financial Experience**
**Gain and Loss in Actuarial Liability During Fiscal Years Ended June 30**
**Resulting from Differences Between Assumed Experience and Actual Experience**

| Type of Activity | Gain (or Loss) For Fiscal Year Ended June 30, 2021 | Gain (or Loss) For Fiscal Year Ended June 30, 2022 | Gain (or Loss) For Fiscal Year Ended June 30, 2023 | Gain (or Loss) For Fiscal Year Ended June 30, 2024 | Gain (or Loss) For Fiscal Year Ended June 30, 2025 | Gain (or Loss) For Fiscal Year Ended June 30, 2026 |
|---|---|---|---|---|---|---|
| Investment Income | $ 720,053,045 | $ 160,575,868 | $ 92,030,355 | $ 110,996,800 | $ 226,460,456 | $ 437,103,152 |
| Combined Liability Experience | (25,575,263) | (107,921,791) | (174,376,812) | (155,752,965) | (344,923,985) | (223,724,516) |
| Gain (or Loss) during Year from Financial Experience | $ 694,477,782 | $ 52,654,077 | $ (82,346,457) | $ (44,756,165) | $ (118,463,529) | $ 213,378,636 |
| Non-Recurring Items | (1,175,893,728) | (104,916,162) | 0 | (5,946,000) | (1,969,365) | 194,803,781 |
| Composite Gain (or Loss) During Year | **$ (481,415,946)** | **$ (52,262,085)** | **$ (82,346,457)** | **$ (50,702,165)** | **$ (120,432,894)** | **$ 408,182,417** |

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MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM STATE EMPLOYEE AND TEACHER RETIREMENT PROGRAM
ACTUARIAL VALUATION AS OF JUNE 30, 2026

# SECTION VI — FINANCIAL DISCLOSURE INFORMATION

Table VI-7 below compares the Program's assets as of each valuation date shown to the Program's Actuarial Liability, divided into three separate groups: liabilities for contributions on deposit for current active members, liabilities for future benefits for inactive members, and employer-financed liabilities for current active members. This Schedule of Funded Liabilities by Type is used to assess funding progress based on what percentage of the liabilities for each of these groups the Program's assets are sufficient to cover. The Reported Assets are measured at actuarial value. Results would be different if market value were used. Per GFOA guidance, this schedule is to include this assessment for the 10 most recent years, and notes to this schedule should be provided to explain any factors that affect the comparability of the data. We do not believe such a note is needed for the measurement year ending June 30, 2026, but it is our expectation that the System's staff will make the final determination regarding any notes needed for this schedule.

**Table VI-7**
**Schedule of Funded Liabilities by Type**

| Valuation Date June 30, | Aggregate Actuarial Liabilities for: (1) Active Member Contributions | (2) Retirees, Vested Terms, Beneficiaries | (3) Active Members (Employer Financed Portion) | Reported Assets | Portion of Actuarial Liabilities Covered by Reported Assets (1) | (2) | (3) |
|---|---|---|---|---|---|---|---|
| 2026 | $2,913,371,624 | $ 12,147,129,170 | $ 4,138,993,003 | $ 17,545,578,340 | 100% | 100% | 60% |
| 2025 | 2,902,788,017 | 12,030,820,705 | 3,836,451,059 | 16,438,814,919 | 100 | 100 | 39 |
| 2024 | 2,838,026,952 | 11,686,460,276 | 3,526,082,623 | 15,586,656,799 | 100 | 100 | 30 |
| 2023 | 2,752,053,117 | 11,347,620,856 | 3,420,861,711 | 14,889,086,583 | 100 | 100 | 23 |
| 2022 | 2,659,590,270 | 10,910,951,750 | 3,411,250,062 | 14,248,105,921 | 100 | 100 | 20 |
| 2021 | 2,588,064,433 | 10,387,107,459 | 3,417,179,436 | 13,460,870,272 | 100 | 100 | 14 |
| 2020 | 2,600,834,192 | 9,668,292,329 | 2,596,333,609 | 12,249,961,306 | 100 | 100 | 0 |
| 2019 | 2,499,498,544 | 9,460,680,994 | 2,587,043,375 | 11,894,672,150 | 100 | 99 | 0 |
| 2018 | 2,453,797,249 | 9,030,789,541 | 2,546,601,055 | 11,419,986,652 | 100 | 99 | 0 |
| 2017 | 2,402,112,525 | 8,727,549,999 | 2,355,223,988 | 10,904,082,221 | 100 | 97 | 0 |

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MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM STATE EMPLOYEE AND TEACHER RETIREMENT PROGRAM
ACTUARIAL VALUATION AS OF JUNE 30, 2026

# APPENDIX A — MEMBERSHIP INFORMATION

## Active Member Data as of June 30, 2026

| | |
|---|---|
| **Teacher Plan** | |
| Count | 28,386 |
| Average Current Age | 45.8 |
| Average Benefit Service | 11.7 |
| Average Vesting Service | 12.0 |
| Average Valuation Pay | $ 60,296 |
| **State Employee Regular Plan** | |
| Count | 11,471 |
| Average Current Age | 47.1 |
| Average Benefit Service | 10.0 |
| Average Vesting Service | 10.5 |
| Average Valuation Pay | $ 73,324 |
| **State Employee Special 25 & Out Plan** | |
| Count | 523 |
| Average Current Age | 39.6 |
| Average Benefit Service | 12.3 |
| Average Vesting Service | 13.0 |
| Average Valuation Pay | $ 131,124 |
| **State Employee 1998 Special Plan** | |
| Count | 1,399 |
| Average Current Age | 42.6 |
| Average Benefit Service | 9.3 |
| Average Vesting Service | 9.8 |
| Average Valuation Pay | $ 82,475 |
| **Fire Marshal Special Plan** | |
| Count | 16 |
| Average Current Age | 42.5 |
| Average Benefit Service | 9.0 |
| Average Vesting Service | 14.8 |
| Average Valuation Pay | $ 137,522 |
| **State Employee Totals (Excludes Teachers)** | |
| Count | 13,409 |
| Average Current Age | 46.3 |
| Average Benefit Service | 10.0 |
| Average Vesting Service | 10.6 |
| Average Valuation Pay | $ 76,610 |

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MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM STATE EMPLOYEE AND TEACHER RETIREMENT PROGRAM
ACTUARIAL VALUATION AS OF JUNE 30, 2026

# APPENDIX A — MEMBERSHIP INFORMATION

## Non-Active Member Data as of June 30, 2026
## Teachers

| | Count | Average Age | Total Annual Benefit | Average Annual Benefit |
|---|---|---|---|---|
| Retired | 20,329 | 75.4 | $ 628,034,972 | $ 30,894 |
| Retired – Concurrent Beneficiary | 1,153 | 76.1 | 7,666,095 | 6,649 |
| Disability – Section 1122 | 0 | | 0 | 0 |
| Disability – Sections 3 and 3A | 645 | 70.7 | 21,461,641 | 33,274 |
| Beneficiary of Above | 1,902 | 75.0 | 38,369,786 | 20,173 |
| Pre-Retirement Death Beneficiary | 275 | 60.5 | 1,997,367 | 7,263 |
| Terminated Vested | 6,145 | 52.4 | 65,951,438 | 10,733 |
| Inactive Due Refund | 29,508 | NA | NA | NA |

## Non-Active Member Data as of June 30, 2026
## State Regular

| | Count | Average Age | Total Annual Benefit | Average Annual Benefit |
|---|---|---|---|---|
| Retired | 11,089 | 74.8 | $ 291,781,969 | $ 26,313 |
| Retired – Concurrent Beneficiary | 872 | 74.5 | 5,400,286 | 6,193 |
| Disability – Section 1122 | 0 | | 0 | N/A |
| Disability – Sections 3 and 3A | 711 | 69.8 | 20,731,179 | 29,158 |
| Beneficiary of Above | 2,213 | 70.9 | 38,666,713 | 17,473 |
| Pre-Retirement Death Beneficiary | 251 | 68.3 | 1,855,101 | 7,391 |
| Terminated Vested | 2,899 | 52.6 | 28,406,114 | 9,799 |
| Inactive Due Refund | 8,643 | NA | NA | NA |

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# APPENDIX A — MEMBERSHIP INFORMATION

## Non-Active Member Data as of June 30, 2026
## State Special

| | Count | Average Age | Total Annual Benefit | Average Annual Benefit |
|---|---|---|---|---|
| Retired | 898 | 66.0 | $ 32,516,337 | $ 36,210 |
| Retired – Concurrent Beneficiary | 99 | 61.9 | 815,203 | 8,234 |
| Disability – Section 1122 | 0 | | 0 | NA |
| Disability – Sections 3 and 3A | 86 | 62.2 | 3,078,704 | 35,799 |
| Beneficiary of Above | 129 | 64.6 | 2,287,424 | 17,732 |
| Pre-Retirement Death Beneficiary | 15 | 45.3 | 106,456 | 7,097 |
| Terminated Vested | 454 | 46.4 | 4,052,986 | 8,927 |
| Inactive Due Refund | 1,370 | NA | NA | NA |

In preparing this report, we relied on data provided by MainePERS as modified following the procedures outlined in the State of Maine Data Processing Notebook. Adjustments to the data are made based on this Processing Notebook. Accuracy of the results is dependent on the completeness of the underlying information. The plan sponsor is responsible for the validity and completeness of the information provided. We believe the data provided, as modified as documented in the Processing Notebook, is sufficient for the actuarial analysis performed.

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**MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM STATE EMPLOYEE AND TEACHER RETIREMENT PROGRAM**
**ACTUARIAL VALUATION AS OF JUNE 30, 2026**

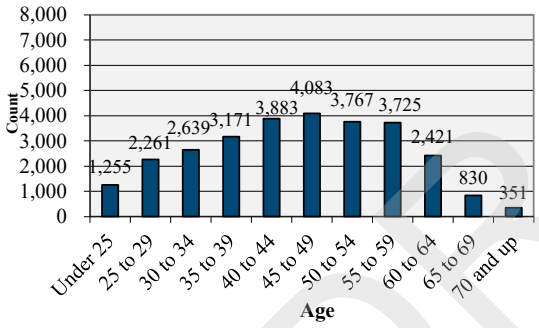
# APPENDIX A — MEMBERSHIP INFORMATION

**Distribution of Active Members**
**As of June 30, 2026**

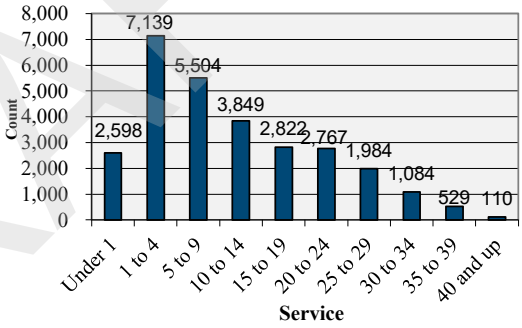
**Teachers**

| | Years of Service | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Under 1 | 1 to 4 | 5 to 9 | 10 to 14 | 15 to 19 | 20 to 24 | 25 to 29 | 30 to 34 | 35 to 39 | 40 and up | Totals |
| **Under 25** | 705 | 546 | 4 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,255 |
| **25 to 29** | 332 | 1,466 | 463 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,261 |
| **30 to 34** | 304 | 926 | 1,061 | 348 | 0 | 0 | 0 | 0 | 0 | 0 | 2,639 |
| **35 to 39** | 296 | 930 | 804 | 880 | 261 | 0 | 0 | 0 | 0 | 0 | 3,171 |
| **40 to 44** | 248 | 933 | 912 | 665 | 785 | 340 | 0 | 0 | 0 | 0 | 3,883 |
| **45 to 49** | 211 | 805 | 731 | 611 | 542 | 877 | 306 | 0 | 0 | 0 | 4,083 |
| **50 to 54** | 165 | 546 | 602 | 516 | 444 | 537 | 738 | 219 | 0 | 0 | 3,767 |
| **55 to 59** | 137 | 433 | 428 | 439 | 430 | 539 | 515 | 619 | 184 | 1 | 3,725 |
| **60 to 64** | 86 | 333 | 312 | 263 | 254 | 351 | 294 | 185 | 290 | 53 | 2,421 |
| **65 to 69** | 63 | 144 | 135 | 96 | 83 | 103 | 91 | 45 | 37 | 33 | 830 |
| **70 and up** | 51 | 77 | 52 | 31 | 23 | 20 | 40 | 16 | 18 | 23 | 351 |
| **Total** | 2,598 | 7,139 | 5,504 | 3,849 | 2,822 | 2,767 | 1,984 | 1,084 | 529 | 110 | 28,386 |

**Age Distribution**




**Service Distribution**

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MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM STATE EMPLOYEE AND TEACHER RETIREMENT PROGRAM
ACTUARIAL VALUATION AS OF JUNE 30, 2026

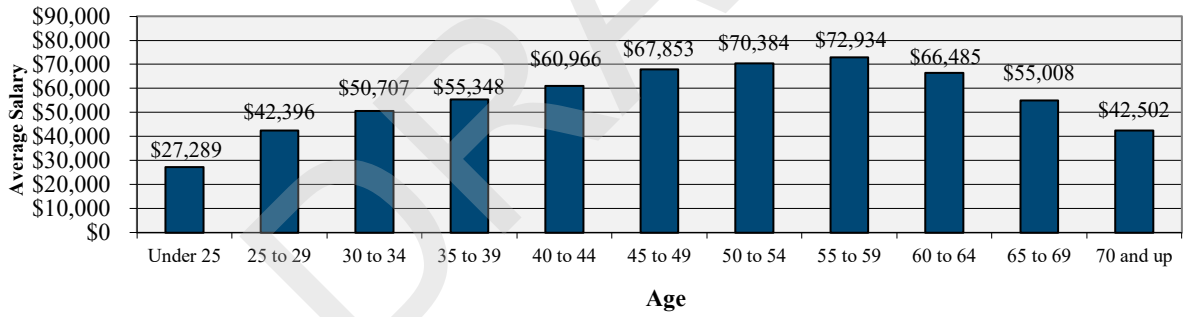
# APPENDIX A — MEMBERSHIP INFORMATION

## Distribution of Active Members
## As of June 30, 2026

**Teachers - Average Salary**

| | Years of Service | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Under 1 | 1 to 4 | 5 to 9 | 10 to 14 | 15 to 19 | 20 to 24 | 25 to 29 | 30 to 34 | 35 to 39 | 40 and up | Average |
| **Under 25** | 17,936 | 39,239 | 44,650 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 27,289 |
| **25 to 29** | 21,797 | 43,542 | 53,535 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 42,396 |
| **30 to 34** | 23,938 | 47,338 | 56,671 | 64,876 | 0 | 0 | 0 | 0 | 0 | 0 | 50,707 |
| **35 to 39** | 23,132 | 45,867 | 58,041 | 67,759 | 75,527 | 0 | 0 | 0 | 0 | 0 | 55,348 |
| **40 to 44** | 22,870 | 45,035 | 58,521 | 68,298 | 78,732 | 83,666 | 0 | 0 | 0 | 0 | 60,966 |
| **45 to 49** | 27,063 | 48,165 | 58,181 | 69,173 | 80,724 | 86,500 | 92,004 | 0 | 0 | 0 | 67,853 |
| **50 to 54** | 18,060 | 49,506 | 57,519 | 66,756 | 75,859 | 83,298 | 90,906 | 93,844 | 0 | 0 | 70,384 |
| **55 to 59** | 26,360 | 49,614 | 56,161 | 63,661 | 71,924 | 80,216 | 88,666 | 93,598 | 91,341 | 31,351 | 72,934 |
| **60 to 64** | 26,371 | 43,796 | 52,340 | 57,659 | 63,977 | 71,565 | 78,408 | 90,172 | 92,296 | 89,529 | 66,485 |
| **65 to 69** | 19,986 | 35,786 | 46,201 | 53,907 | 58,251 | 64,013 | 71,224 | 82,426 | 89,632 | 87,790 | 55,008 |
| **70 and up** | 16,182 | 25,222 | 38,170 | 40,951 | 52,624 | 50,554 | 59,748 | 60,741 | 78,521 | 82,598 | 42,502 |
| **Average** | 21,683 | 45,207 | 56,481 | 65,962 | 75,186 | 81,315 | 87,111 | 92,114 | 91,309 | 87,029 | 60,296 |

**Average Salary Distribution**

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MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM STATE EMPLOYEE AND TEACHER RETIREMENT PROGRAM
ACTUARIAL VALUATION AS OF JUNE 30, 2026

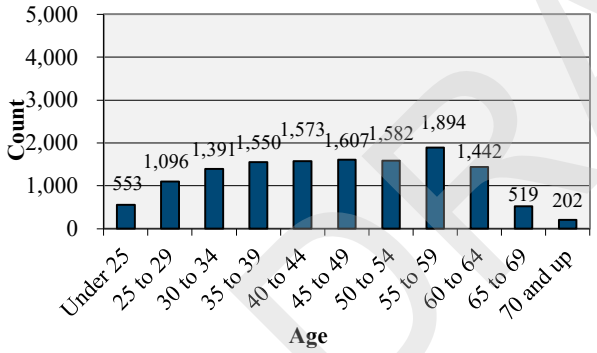
# APPENDIX A — MEMBERSHIP INFORMATION

## Distribution of Active Members
## As of June 30, 2026

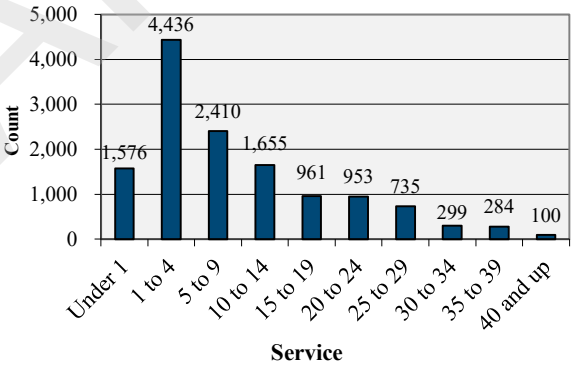
**State**

| | Years of Service | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Under 1 | 1 to 4 | 5 to 9 | 10 to 14 | 15 to 19 | 20 to 24 | 25 to 29 | 30 to 34 | 35 to 39 | 40 and up | Totals |
| **Under 25** | 336 | 212 | 5 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 553 |
| **25 to 29** | 251 | 714 | 127 | 4 | 0 | 0 | 0 | 0 | 0 | 0 | 1,096 |
| **30 to 34** | 190 | 698 | 392 | 111 | 0 | 0 | 0 | 0 | 0 | 0 | 1,391 |
| **35 to 39** | 157 | 634 | 409 | 305 | 43 | 2 | 0 | 0 | 0 | 0 | 1,550 |
| **40 to 44** | 176 | 524 | 311 | 287 | 180 | 90 | 5 | 0 | 0 | 0 | 1,573 |
| **45 to 49** | 135 | 466 | 278 | 238 | 201 | 207 | 82 | 0 | 0 | 0 | 1,607 |
| **50 to 54** | 119 | 396 | 253 | 207 | 143 | 203 | 206 | 52 | 3 | 0 | 1,582 |
| **55 to 59** | 109 | 405 | 273 | 213 | 179 | 210 | 226 | 140 | 130 | 9 | 1,894 |
| **60 to 64** | 68 | 257 | 244 | 193 | 156 | 154 | 139 | 77 | 114 | 40 | 1,442 |
| **65 to 69** | 25 | 89 | 89 | 71 | 44 | 63 | 57 | 23 | 32 | 26 | 519 |
| **70 and up** | 10 | 41 | 29 | 26 | 15 | 24 | 20 | 7 | 5 | 25 | 202 |
| **Total** | 1,576 | 4,436 | 2,410 | 1,655 | 961 | 953 | 735 | 299 | 284 | 100 | 13,409 |

**Age Distribution**




**Service Distribution**

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MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM STATE EMPLOYEE AND TEACHER RETIREMENT PROGRAM
ACTUARIAL VALUATION AS OF JUNE 30, 2026

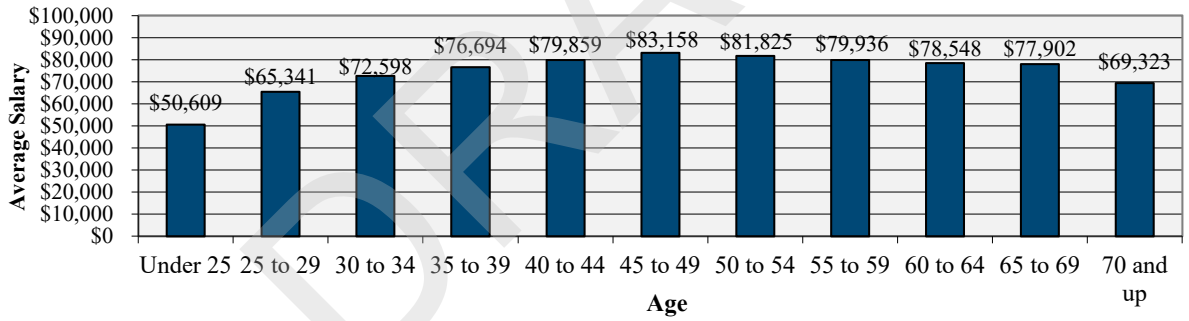
# APPENDIX A — MEMBERSHIP INFORMATION

## Distribution of Active Members
## As of June 30, 2026

**State - Average Salary**

| | Years of Service | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Under 1 | 1 to 4 | 5 to 9 | 10 to 14 | 15 to 19 | 20 to 24 | 25 to 29 | 30 to 34 | 35 to 39 | 40 and up | Average |
| **Under 25** | 41,233 | 64,935 | 73,254 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 50,609 |
| **25 to 29** | 50,901 | 67,407 | 81,855 | 78,347 | 0 | 0 | 0 | 0 | 0 | 0 | 65,341 |
| **30 to 34** | 51,177 | 68,047 | 84,703 | 95,131 | 0 | 0 | 0 | 0 | 0 | 0 | 72,598 |
| **35 to 39** | 51,291 | 69,732 | 83,674 | 92,267 | 95,186 | 77,968 | 0 | 0 | 0 | 0 | 76,694 |
| **40 to 44** | 55,060 | 71,156 | 81,868 | 92,676 | 98,559 | 93,376 | 87,637 | 0 | 0 | 0 | 79,859 |
| **45 to 49** | 53,101 | 72,180 | 86,129 | 89,785 | 96,878 | 98,105 | 94,367 | 0 | 0 | 0 | 83,158 |
| **50 to 54** | 52,438 | 68,879 | 78,791 | 84,613 | 85,679 | 96,579 | 99,752 | 112,028 | 83,338 | 0 | 81,825 |
| **55 to 59** | 48,228 | 68,626 | 77,260 | 78,766 | 86,175 | 87,447 | 89,472 | 100,340 | 89,634 | 85,376 | 79,936 |
| **60 to 64** | 55,931 | 64,347 | 72,894 | 80,803 | 78,820 | 85,824 | 90,047 | 98,459 | 89,699 | 92,724 | 78,548 |
| **65 to 69** | 37,796 | 62,690 | 77,469 | 76,575 | 79,939 | 85,663 | 83,200 | 105,027 | 104,282 | 83,315 | 77,902 |
| **70 and up** | 20,600 | 50,723 | 61,160 | 78,186 | 80,718 | 76,298 | 80,892 | 87,967 | 83,197 | 88,785 | 69,323 |
| **Average** | 49,313 | 68,483 | 80,943 | 87,213 | 89,498 | 91,586 | 92,276 | 101,959 | 91,131 | 88,632 | 76,610 |

**Average Salary Distribution**

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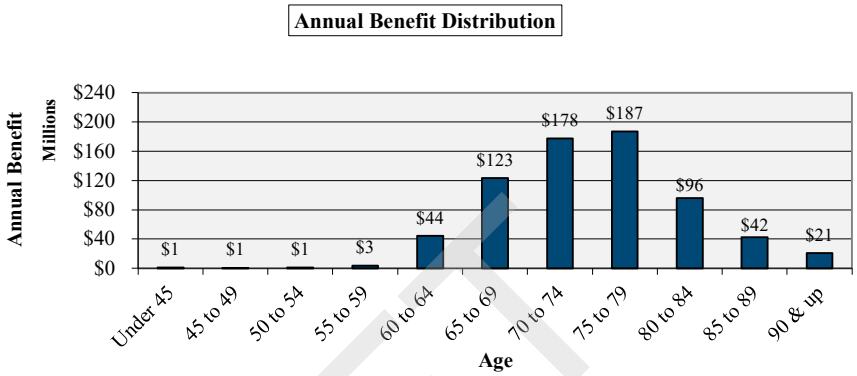
**MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM STATE EMPLOYEE AND TEACHER RETIREMENT PROGRAM**
**ACTUARIAL VALUATION AS OF JUNE 30, 2026**

# APPENDIX A — MEMBERSHIP INFORMATION

**Distribution of Retirees, Disabled Members, Beneficiaries, and Survivors**
**As of June 30, 2026**

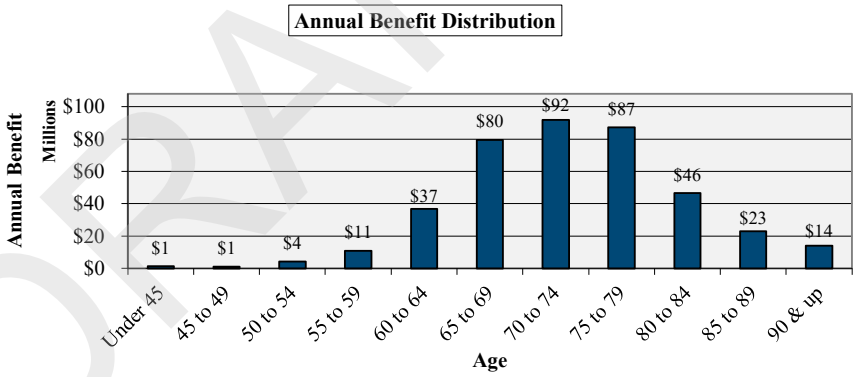
**Teachers**

| Age | Count | Annual Benefit |
|---|---|---|
| Under 45 | 166 | $ 1,361,207 |
| 45 to 49 | 65 | 688,237 |
| 50 to 54 | 85 | 1,036,282 |
| 55 to 59 | 178 | 3,433,286 |
| 60 to 64 | 1,330 | 44,053,110 |
| 65 to 69 | 4,171 | 123,341,992 |
| 70 to 74 | 5,976 | 177,645,672 |
| 75 to 79 | 6,465 | 187,080,536 |
| 80 to 84 | 3,470 | 95,949,768 |
| 85 to 89 | 1,578 | 42,240,295 |
| 90 & up | 820 | 20,699,476 |
| Total | 24,304 | $ 697,529,861 |




**State**

| Age | Count | Annual Benefit |
|---|---|---|
| Under 45 | 139 | $ 1,387,006 |
| 45 to 49 | 73 | 1,230,823 |
| 50 to 54 | 191 | 4,376,676 |
| 55 to 59 | 442 | 11,032,495 |
| 60 to 64 | 1,308 | 36,937,323 |
| 65 to 69 | 3,200 | 79,576,037 |
| 70 to 74 | 3,819 | 91,947,199 |
| 75 to 79 | 3,603 | 87,247,420 |
| 80 to 84 | 1,931 | 46,480,627 |
| 85 to 89 | 1,015 | 23,073,852 |
| 90 & up | 642 | 13,949,914 |
| Total | 16,363 | $ 397,239,372 |

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MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM STATE EMPLOYEE AND TEACHER RETIREMENT PROGRAM
ACTUARIAL VALUATION AS OF JUNE 30, 2026

# APPENDIX A — MEMBERSHIP INFORMATION

## Status Reconciliation - Teachers

| | Active Members | Retired Members | Beneficiaries of Retired Members | Survivors of Deceased Members | Disabled Members | Terminated Vested Members |
|---|---|---|---|---|---|---|
| **As of June 30, 2025** | **28,240** | **19,914** | **3,053** | **270** | **650** | **6,090** |
| New hires | 2,074 | | | | | |
| Rehires | 656 | | | | 0 | (260) |
| Movement between plans | (1) | | | | | (7) |
| New retirees | (388) | 881 | | | | (493) |
| New beneficiaries due to retirements | | | 43 | | | |
| New disabled retirees | (14) | | | | 22 | (7) |
| New deferred vested members | (905) | | | | | 989 |
| Non-vested terminations | (986) | | | | | |
| Refunds | (262) | | | | | (145) |
| Deaths, no future benefits | (8) | (371) | (141) | (6) | (22) | (13) |
| Deaths with a survivor or beneficiary | (9) | (102) | 100 | 19 | (8) | (9) |
| Benefits expired | | | 0 | (8) | | |
| Data correction | (11) | 7 | 0 | 0 | 3 | 0 |
| **As of June 30, 2026** | **28,386** | **20,329** | **3,055** | **275** | **645** | **6,145** |

## Status Reconciliation – State Regular and Special Groups

| | Active Members | Retired Members | Beneficiaries of Retired Members | Survivors of Deceased Members | Disabled Members | Terminated Vested Members |
|---|---|---|---|---|---|---|
| **As of June 30, 2025** | **13,338** | **11,806** | **3,305** | **264** | **816** | **3,313** |
| New hires | 1,389 | | | | | |
| Rehires | 150 | | | | | (57) |
| Movement between plans | (4) | | | | | (9) |
| New retirees | (381) | 539 | | | | (158) |
| New beneficiaries due to retirements | | | 41 | | | |
| New disabled retirees | (21) | | | | 27 | (6) |
| New deferred vested members | (298) | | | | | 379 |
| Non-vested terminations | (565) | | | | | |
| Refunds | (175) | | | | | (94) |
| Deaths, no future benefits | (5) | (265) | (139) | (7) | (33) | (11) |
| Deaths with a survivor or beneficiary | (18) | (94) | 109 | 11 | (14) | 0 |
| Benefits expired | | | | (2) | | |
| Data correction | (1) | 1 | (3) | 0 | 1 | (4) |
| **As of June 30, 2026** | **13,409** | **11,987** | **3,313** | **266** | **797** | **3,353** |

*Former disabled retirees who have changed to service retirement as mandated by the Plan are still included as disabled members. Terminated vested members include those indicated to us in the data who have terminated and are eligible for a future annuity.*

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# APPENDIX B — SUMMARY OF PROGRAM PROVISIONS

## 1. Membership

Membership is a condition of employment for state employees and teachers, and optional for elected and appointed officials.

Membership ceases on the earlier of withdrawal of contributions, retirement, or death.

## 2. Member Contributions

Except as otherwise described below, members are required to contribute 7.65% of earnable compensation. Member contributions earn annual interest at the rate adopted by the Board of Trustees each February.

Contribution Requirements for Special State Employee Groups

Inland fisheries and wildlife officers employed before September 1, 1984: required to contribute 8.65% of earnable compensation for 20 years of service and 7.65% thereafter.

1998 Special Plan employees, which includes state prison employees, airplane pilots, forest rangers, defense, veterans and emergency management firefighters employed at Bangor International Airport, corrections employees, Baxter State Park Authority rangers, State Fire Marshal, assistant state fire marshal - inspections and state fire marshal inspectors, oil and hazardous materials emergency response workers, capitol security officers, attorney general detectives, emergency communications employees, motor vehicle detectives, crime laboratory and computer crimes unit employees, certain Mental Health Workers employed by the Department of Health and Human Services: required to contribute 8.65% of earnable compensation for 25 years and 7.65% thereafter.

State police employed on or after September 16, 1984 and special agent investigators hired before June 21, 1982: required to contribute 8.65% of earnable compensation for 25 years and 7.65% thereafter.

Inland fisheries and wildlife officers and marine resources officers employed on or after September 1, 1984: required to contribute 8.65% of earnable compensation for 25 years and 7.65% thereafter.

Fire marshal investigators, fire marshal sergeants and assistant state fire marshal - investigations: required to contribute 8.65% of earnable compensation until eligible for retirement and 7.65% thereafter.

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# APPENDIX B — SUMMARY OF PROGRAM PROVISIONS

## 3. Average Final Compensation

For purposes of determining benefits payable, average final compensation is the average annual rate of earnable compensation for the three years of creditable service (not necessarily consecutive) that produce the highest such average.

With some exceptions as provided in law, for compensation paid on or after July 1, 1993, increases in earnable compensation of greater than 5% per year or greater than 10% over the highest three years are not included in calculating average final compensation unless the employer pays the cost of including such compensation. Earnable compensation does not include sick and vacation pay for those members who had less than 10 years of service on July 1, 1993. For members for whom sick and vacation pay is includable in earnable compensation, these payments are included in applying the caps described above.

## 4. Creditable Service

Creditable service includes service while a member, certain service prior to the establishment of the Program, purchased service credit of which there are several types, and service while receiving disability benefits under the Program.

## 5. Service Retirement Benefits

### A. Regular Plan (State Employees and Teachers)

i. Provisions for Members with at Least 10 Years of Creditable Service on July 1, 1993

Normal Retirement Age: 60

Eligibility for Members in Active Service and Inactive Members: 25 years of creditable service.

Eligibility Alternative for Members in Active Service: At least one year of creditable service immediately before retirement and at least normal retirement age.

Eligibility for Members not in Active Service at Retirement and not in Active Service on or after October 1, 1999: At least 10 years of creditable service and at least normal retirement age.

Eligibility for Members not in Active Service at Retirement, but in Active Service on or after October 1, 1999: At least five years of creditable service and at least normal retirement age.

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# APPENDIX B — SUMMARY OF PROGRAM PROVISIONS

Benefit: 1/50 of average final compensation multiplied by years of creditable service and up to 25 years of prior service, reduced by the following approximate percentages for each year retirement age is less than age 60.

| Age | Reduction | Age | Reduction |
|---|---|---|---|
| 45 | 29.3% | 53 | 16.6% |
| 46 | 28.0 | 54 | 14.6 |
| 47 | 26.6 | 55 | 12.5 |
| 48 | 25.2 | 56 | 10.3 |
| 49 | 23.6 | 57 | 7.9 |
| 50 | 22.0 | 58 | 5.4 |
| 51 | 20.3 | 59 | 2.8 |
| 52 | 18.5 | 60 | 0.0 |

Form of Payment: Life annuity.

ii. Provisions for Members with Less Than 10 Years of Creditable Service on July 1, 1993

Normal Retirement Age: 62

Eligibility for Members in Active Service and Inactive Members: 25 years of creditable service.

Eligibility Alternative for Members in Active Service: At least one year of creditable service immediately before retirement age and at least normal retirement age.

Eligibility for Members not in Active Service at Retirement and not in Active Service on or after October 1, 1999: At least 10 years of creditable service and at least normal retirement age.

Eligibility for Members not in Active Service at Retirement, but in Active Service on or after October 1, 1999: At least five years of creditable service and at least normal retirement age.

Benefit: 1/50 of average final compensation multiplied by years of membership service and up to 25 years of prior service, reduced by 6% for each year retirement age is less than age 62.

Form of Payment: Life annuity.

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# APPENDIX B — SUMMARY OF PROGRAM PROVISIONS

iii. Provisions for Members with Less Than Five Years of Creditable Service on July 1, 2011

Normal Retirement Age: 65

Eligibility for Members in Active Service and Inactive Members: 25 years of creditable service.

Eligibility Alternative for Members in Active Service: At least one year of creditable service immediately before retirement age and at least normal retirement age.

Eligibility for Members not in Active Service at Retirement and not in Active Service on or after October 1, 1999: At least 10 years of creditable service and at least normal retirement age.

Eligibility for Members not in Active Service at Retirement, but in Active Service on or after October 1, 1999: At least five years of creditable service and at least normal retirement age.

Benefit: 1/50 of average final compensation multiplied by years of membership service and up to 25 years of prior service, reduced by 6% for each year retirement age is less than age 65.

Form of Payment: Life annuity.

**B. SPECIAL PLANS (STATE EMPLOYEES)**

i. 1998 Special Plan

1998 Entrants: State prison employees, airline pilots, forest rangers, and liquor inspectors, employed after August 31, 1984; defense, veterans, and emergency management firefighters employed on and after July 1, 1998.

2000 Entrants: Baxter State Park Authority rangers, correctional employees, and State Fire Marshal and state fire marshal inspectors employed on or after January 1, 2000.

2002 Entrants: Capitol Police and oil and hazardous materials emergency response workers.

2020 Entrants: Emergency communications employees, motor vehicle detectives and attorney general detectives.

2021 Entrants: Crime laboratory (until 2024) and computer crimes unit employees.

2024 Entrants: Corrections officers

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# APPENDIX B — SUMMARY OF PROGRAM PROVISIONS

2025 Entrants: Persons in the employment of the Department of Health and Human Services on October 1, 2025 or hired thereafter who have the job classification of Mental Health Worker I, Mental Health Worker II, Mental Health Worker III, or Mental Health Worker IV.

2026 Entrants: Employees of the Office of the Medical Examiner, Employees of the Department of Health and Human Services designated as Community Response Workers, and Employees of the Department of Health and Human Services designated as Nurse I and III, Hospital Nurse II, III, and IV, and Licensed Practical Nurse.

Eligibility: 10 years of creditable service under the 1998 Special Plan in one or a combination of the covered capacities and the attainment of age 55 – OR – 25 years of creditable service in one or a combination of the covered capacities.

Benefit: For service prior to coverage in the 1998 Special Plan, 1/50 of average final compensation multiplied by years of service reduced for retirement before age 60, 62, or 65 (as determined by the applicable Regular Plan provisions described in 5.A.), except oil and hazardous materials emergency response workers, certain prison employees, Capitol Police, and certain Department of Corrections employees benefits are reduced for retirement before age 55.

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For service under the 1998 Special Plan, 1/50 of average final compensation multiplied by years of service reduced for retirement before age 55.

Form of Payment: Life annuity.

ii. 25 & Out Plan

1998 Entrants: State police employed on or after September 16, 1984 and special agent investigators hired before June 21, 1982.

2002 Entrants: Inland fisheries and wildlife officers and marine resources officers employed on and after August 31, 1984.

2024 Entrants: Crime laboratory employees

2026 Entrants: Firefighters in the employ of the Department of Defense, Veterans and Emergency Management

Eligibility: 25 years of creditable service in named positions.

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# APPENDIX B — SUMMARY OF PROGRAM PROVISIONS

Benefit: 1/50 of average final compensation multiplied by years of service.

Form of Payment: Life annuity.

Members in Special Plans who fail to qualify for Special Plan benefits can receive Regular Plan benefits when and as eligible and qualified.

iii. Fire Marshals

Eligibility: 20 years of creditable service in named positions.

Benefit: One-half of average final compensation plus 2% for each year of service in excess of 20.

Form of Payment: Life annuity.

Members in Special Plans who fail to qualify for Special Plan benefits can receive Regular Plan benefits when and as eligible and qualified.

**C. MINIMUM SERVICE RETIREMENT BENEFIT**

$100 per month.

## 6. Disability Retirement Benefits Other Than No-Age Benefits (See Item 7)

Eligibility: Disabled as defined in the MainePERS statutes prior to applicable normal retirement age, employed prior to October 16, 1992, and did not elect No-Age Disability Benefits, and either disabled in the line-of-duty or disabled with at least five years of creditable service.

Benefit: 66⅔% of average final compensation, reduced by employment earnings over the specified statutory limit, and to the extent that the benefit, in combination with Workers' Compensation and Social Security, exceeds 80% of average final compensation.

Form of Payment: Payment begins upon the termination of service and ceases on cessation of disability or after two years, unless the member is unable to engage in any substantially gainful activity, in which case payments cease on the earlier of 10 years following normal retirement age or the date that the service retirement benefit equals or exceeds the disability benefit.

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# APPENDIX B — SUMMARY OF PROGRAM PROVISIONS

Conversion to Service Retirement: During the period of disability, service is credited and average final compensation is increased at the same rate as any cost-of-living adjustments for which the member is eligible (not subject to the COLA Cap) (see item 12). On the date when service benefits reach a level of 66⅔% of average final compensation or 10 years after the normal retirement date if earlier, the disability converts to a service retirement benefit based on service and average final compensation at that time.

## 7. No-Age Disability Retirement Benefits

Eligibility: Disabled as defined in the MainePERS statutes, employed on or after October 16, 1992 or employed prior to October 16, 1992 and elected the provisions of No-Age Disability, and either disabled in the line-of-duty or disabled with at least five years of creditable service.

Benefit: 59% of average final compensation, reduced by employment earnings over the specified statutory limit, and to the extent that the benefit, in combination with Workers' Compensation and Social Security, exceeds 80% of average final compensation.

Form of Payment: Payment begins upon the termination of service and ceases on cessation of disability or after two years, unless the member is unable to engage in any substantially gainful activity, in which case payments cease on the date the service retirement benefit equals or exceeds the disability benefit.

Conversion to Service Retirement: During the period of disability, service is credited and average final compensation is increased at the same rate as any cost-of-living adjustments for which the member is eligible (not subject to the COLA Cap) (see item 12). On the date when service benefits reach a level of 59% of average final compensation, the disability benefit converts to a service retirement benefit based on service and average final compensation at that time.

## 8. Pre-Retirement Ordinary Death Benefits

Eligibility: Death while active, inactive eligible to retire, or disabled not resulting from an injury received in the line of duty.

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# APPENDIX B — SUMMARY OF PROGRAM PROVISIONS

Benefit: Designated beneficiary, spouse, children, or parents entitled to benefit calculated as if the deceased member had retired under Option 2 (see item 13); however, the beneficiary may elect survivor benefits payable to a surviving spouse, dependent children, parent, or other designated beneficiaries in monthly amounts varying by the status of beneficiary and number of eligible survivors. Otherwise, accumulated contributions with interest are payable to the designated beneficiary, spouse, children, older parents, or estate.

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# APPENDIX B — SUMMARY OF PROGRAM PROVISIONS

## 9. Pre-Retirement Accidental Death Benefits

Eligibility: Death while active or disabled resulting from an injury received in the line of duty.

Benefit: If the member leaves no dependent children, two-thirds of the member's average final compensation to the surviving spouse until death.

- If the member is survived by a spouse who has the care of dependent children of the member, the surviving spouse shall receive an annual sum equal to the member's average final compensation while having the care of dependent children. When there are no longer any dependent children, the surviving spouse shall receive two-thirds of the member's average final compensation until death.
- If the member is survived by a spouse who does not have the care of the member's dependent children, the surviving spouse and dependent children shall share equally an annual sum equal to the member's average final compensation. When there are no longer any dependent children, the surviving spouse shall receive two-thirds of the member's average final compensation until death.
- If the member leaves no spouse, the dependent children shall share an annual amount equal to the member's average final compensation. Benefits will cease when the last dependent child no longer meets the definition of "dependent child."

## 10. Termination Benefit

Eligibility: Termination of service other than by retirement or death with at least five years of creditable service.

Benefit: The member's choice of a refund of the accumulated contributions with interest or a retirement benefit using creditable service and average final compensation as of the date of termination, deferred to normal retirement age.

## 11. Refund of Contributions

Eligibility: Termination of service other than by retirement or death with less than five years of creditable service.

Benefit: Refund of member's accumulated contributions with interest.

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# APPENDIX B — SUMMARY OF PROGRAM PROVISIONS

## 12. Cost-of-Living Adjustments (COLA)

All service and disability retirement and survivor benefits are adjusted each year that there is a percentage change in the Consumer Price Index (CPI), based on the Index. If the percentage change is negative, then no adjustment is made in that year. In subsequent years, the adjustment that would have been made will be adjusted downward to the extent necessary to recoup the full actuarial value of not having made the previous year's negative adjustment. This process of adjustment may occur over a multi-year period if needed to recoup the full value of negative changes in the Index.

Cost-of-living adjustments (COLA) are effective September 1 of each year and are applied to that portion of the benefit that is not in excess of a COLA Base whose value grows annually with the same adjustment as the COLA (see values below) for all benefits that have been in payment for at least 12 months as of that date. The maximum annual increase, or COLA Cap, is three percent. Average final compensation used in determining disability benefits for disabled members is similarly adjusted for purposes of determining the recipient's service retirement benefit if and when the recipient moves to service retirement.

COLA Base History: (value as of September 1 of listed year when COLA effective):

| Year | COLA Base | Year | Cola Base |
|---|---|---|---|
| 2014 | $20,000.00 | 2021 | $22,947.11 |
| 2015 | $20,420.00 | 2022 | $24,186.25 |
| 2016 | $20,940.71 | 2023 | $24,911.84 |
| 2017 | $21,474.70 | 2024 | $25,659.20 |
| 2018 | $21,818.30 | 2025 | $26,428.98 |
| 2019 | $22,451.03 | 2026 | $27,142.56 |
| 2020 | $22,810.25 | | |

In 2022, Special legislation was passed to pay an additional one percent COLA above the maximum COLA Cap of three percent. In addition, the COLA Base was increased by the full CPI change of 5.4%.

Members who did not have 10 years of service on July 1, 1993, will begin receiving cost-of-living adjustments at the later of 12 months after their normal retirement age and the first September 1 following a minimum of 12 months of being in receipt of their benefit.

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# APPENDIX B — SUMMARY OF PROGRAM PROVISIONS

## 13. Methods of Payment of Service Retirement Benefits

At retirement, a member who retires with a benefit must choose from the following methods of payment:

Full Benefit: Unadjusted benefit paid for the life of the member only.

Option 1: Cash refund equal to the remaining member contribution balance, if any, at the date of death (where the member contribution balance has been reduced each month by the portion of the monthly benefit deemed to be provided by member contributions).

Option 2: 100% joint and survivor annuity.

Option 3: 50% joint and survivor annuity.

Option 4: Joint and survivor annuity at any percentage other than those available under Option 2 and Option 3.

Option 5: Designated percentage of the benefit (not less than 51%) payable to the member, with the remaining percentage (the two to equal 100%) payable to a beneficiary (may only be a sole beneficiary) while both are alive. At the death of either, the higher of the two percentages is paid to the survivor for the survivor's life, and the lower-percentage benefit ceases to be paid.

Option 6: 100% joint and survivor annuity (Option 2) with pop-up*.

Option 7: 50% joint and survivor annuity (Option 3) with pop-up*.

Option 8: Option 4 with pop-up*.

* The "pop-up" feature attached to a given Option means that in the case of a beneficiary predeceasing the member, the member's benefit will be revised prospectively to the amount that the benefit would have been had the member selected Full Benefit payment upon retirement.

## 14. Program Changes Since Prior Valuation

Certain Department of Health and Human Services were moved from the Regular State Plan to the 1998 Special Plan.

This Appendix B is intended to be a brief summary of provisions. In the event of a dispute, applicable statutes and administrative policy supersede this report description.

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# APPENDIX C — ACTUARIAL ASSUMPTIONS AND METHODS

## A. Actuarial Assumptions

### 1. Annual Rate of Investment Return

| | |
|---|---|
| State Employees | 6.50% |
| Teachers | 6.50% |

Rate is net of both administrative and investment expense.

### 2. LDROM Discount Rate

| | |
|---|---|
| State Employees | 4.85% |
| Teachers | 4.85% |

### 3. Cost-of-Living Adjustment (COLA) Assumed Rate

| | |
|---|---|
| State Employees | 2.20% |
| Teachers | 2.20% |

### 4. Annual Rate of Individual Salary Increase (% at Selected Years of Service)

| Service | State Employees | Teachers |
|---|---|---|
| 0 | 11.74% | 14.31% |
| 5 | 6.60 | 6.35 |
| 10 | 5.47 | 5.32 |
| 15 | 4.29 | 4.55 |
| 20 | 4.19 | 3.78 |
| 25 | 4.03 | 3.26 |
| 30 | 4.03 | 3.01 |
| 35 | 3.26 | 2.75 |

The above rates include a 2.75% across-the-board increase at each year of service.

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# APPENDIX C — ACTUARIAL ASSUMPTIONS AND METHODS

### 5. Sample Rates of Termination (% at Selected Years of Service)

| Service | Regular State Employees | Teachers | State Special Employees |
|---|---|---|---|
| 0 | 20.00% | 20.00% | 26.50% |
| 5 | 9.00 | 8.25 | 8.75 |
| 10 | 5.75 | 5.00 | 5.00 |
| 15 | 4.00 | 3.50 | 3.25 |
| 20 | 3.00 | 2.75 | 3.00 |
| 25 | 2.50 | 2.75 | 2.50 |

Non-vested members are assumed to take a refund of contributions with interest. Once vested, the member is assumed to elect the greater of the deferred vested benefit or a refund of member contributions with interest based on present value at the time of termination.

### 6. Sample Rates of Mortality for Healthy Annuitant Lives at Selected Ages (number of deaths per 10,000 members)

| | (Showing values in 2026) | | | |
|---|---|---|---|---|
| | State Employees | | Teachers | |
| Age | Male | Female | Male | Female |
| 50 | 32 | 28 | 12 | 7 |
| 55 | 46 | 34 | 24 | 18 |
| 60 | 70 | 45 | 41 | 26 |
| 65 | 100 | 63 | 68 | 38 |
| 70 | 151 | 105 | 111 | 65 |
| 75 | 262 | 195 | 200 | 126 |
| 80 | 486 | 375 | 388 | 260 |
| 85 | 899 | 733 | 771 | 686 |
| 90 | 1,651 | 1,342 | 1,461 | 1,302 |
| 95 | 2,685 | 2,208 | 2,524 | 2,280 |

Rates for State Employees are based on 112.7% and 117.3% of the 2016 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, respectively, for males and female.

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# APPENDIX C — ACTUARIAL ASSUMPTIONS AND METHODS

Rates for Teachers are based on the 2016 Public Plan Teacher Benefits Weighted Healthy Retiree Mortality Table adjusted as follows:

- 109.9% of the rates for males
- 98% of the rates for females prior to age 82, and 125% of the rates for females on and after age 82

The rates are projected generationally using the published IRS Adjusted MP-2021 scale.

### 7. Sample Rates of Mortality for Active Lives at Selected Ages (number of deaths per 10,000 members)*

| | (Showing values in 2026) | | | |
|---|---|---|---|---|
| | State Employees | | Teachers | |
| Age | Male | Female | Male | Female |
| 20 | 4 | 1 | 2 | 1 |
| 25 | 5 | 1 | 3 | 1 |
| 30 | 7 | 2 | 3 | 2 |
| 35 | 8 | 3 | 5 | 2 |
| 40 | 11 | 5 | 6 | 4 |
| 45 | 14 | 6 | 8 | 5 |
| 50 | 18 | 9 | 11 | 7 |
| 55 | 26 | 13 | 17 | 10 |
| 60 | 41 | 21 | 27 | 16 |
| 65 | 59 | 31 | 42 | 26 |

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* For State Regular and Teachers, 5% of deaths are assumed to arise out of and in the course of employment; for State Special, 20% of deaths are assumed to arise out of and in the course of employment.

Rates for State Employees are based on 119.9% and 101.0% of the 2016 Public Plan General Benefits-Weighted Employee Mortality Table, respectively, for males and females. Rates for Teachers are based on 102.2% and 101.5% of the 2016 Public Plan Teacher Benefits-Weighted Employee Mortality Table, respectively, for males and females. These rates are generationally projected using the same version of the MP-2021 scale as described for the healthy annuitant mortality.

# APPENDIX C — ACTUARIAL ASSUMPTIONS AND METHODS

## 8. Sample Rates of Mortality for Disabled Annuitant Lives at Selected Ages (number of deaths per 10,000 members)

| | (Showing values in 2026) | | | |
|---|---|---|---|---|
| | State Employees | | Teachers | |
| Age | Male | Female | Male | Female |
| 25 | 42 | 13 | 39 | 12 |
| 30 | 40 | 22 | 37 | 20 |
| 35 | 44 | 34 | 41 | 32 |
| 40 | 56 | 47 | 52 | 44 |
| 45 | 75 | 62 | 70 | 57 |
| 50 | 99 | 89 | 92 | 82 |
| 55 | 146 | 137 | 136 | 127 |
| 60 | 229 | 217 | 212 | 201 |
| 65 | 275 | 235 | 255 | 218 |
| 70 | 315 | 273 | 293 | 253 |

Rates for State Employees are based on 114.5% and 127.7% of the 2016 Public Plan Non-Safety Benefits-Weighted Disabled Retiree Mortality Table, respectively, for males and females. Rates for Teachers are based on 106.3% and 118.2% of the 2016 Public Plan Non-Safety Benefits-Weighted Disabled Retiree Mortality Table, respectively, for males and females. These rates are generationally projected using the same version of the MP-2021 scale as described for the healthy annuitant mortality.

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# APPENDIX C — ACTUARIAL ASSUMPTIONS AND METHODS

## 9. Sample Rates of Mortality for Contingent Survivor Lives at Selected Ages (number of deaths per 10,000 members)

| (Showing values in 2026) | All Groups | |
|---|---|---|
| Age | Male | Female |
| 45 | 57 | 27 |
| 50 | 75 | 30 |
| 55 | 84 | 43 |
| 60 | 103 | 64 |
| 65 | 130 | 91 |
| 70 | 180 | 135 |
| 75 | 293 | 216 |
| 80 | 520 | 377 |
| 85 | 915 | 691 |
| 90 | 1,601 | 1,251 |

Rates for Contingent Survivors are based on 98.8% and 110.6% of the 2016 Public Plan Contingent Survivor Mortality Table, respectively, for males and females. These rates are generationally projected using the same version of the MP-2021 scale as described for the healthy annuitant mortality.

## 10. Sample Rates of Retirement at Selected Ages

### Teachers and State Regular Plans

| | State Regular Employees | | | Teachers | | |
|---|---|---|---|---|---|---|
| Age | NRA 60 | NRA 62 | NRA 65 | NRA 60 | NRA 62 | NRA 65 |
| 57 | 4% | 3.5% | N/A | 4% | 3% | N/A |
| 59 | 26 | 4 | N/A | 20 | 5 | N/A |
| 60 | 21 | 4.5 | 4% | 27.5 | 8.5 | 2% |
| 61 | 21 | 35 | 2 | 21 | 28 | 2 |
| 62 | 21 | 29 | 5 | 23 | 26.8 | 2 |
| 63 | 20 | 19 | 8 | 25.5 | 21 | 2 |
| 64 | 22 | 20 | 20 | 30 | 24.5 | 5 |
| 65 | 22 | 23 | 26 | 37.5 | 30.5 | 30 |
| 70 | 23 | 25 | 25 | 31 | 25 | 29 |
| 75 | 100 | 100 | 100 | 35 | 20 | 29 |
| 80 | 100 | 100 | 100 | 100 | 100 | 100 |

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# APPENDIX C — ACTUARIAL ASSUMPTIONS AND METHODS

In the case of State Regular and Teacher employees, NRA 60 (Tier 1) refers to those who had accrued at least 10 years of service by July 1, 1993. NRA 62 (Tier 2) refers to those who had not accrued at least 10 years of service by July 1, 1993 or were hired after that date but had five years of service by July 1, 2011. NRA 65 (Tier 3) refers to those who did not have five years of service by July 1, 2011. Rates are only applied for early retirement when the member is at least age 57. Earlier rates are applicable for normal retirement.

**State Special Plans**

Members of the 1998 Special Plan are assumed to retire at rates that vary by age and whether service is less than 25 years or not. Sample rates are as follows:

| | 1998 Special Plan Retirement | |
|---|---|---|
| Age | Service < 25 | Service >= 25 |
| 50 | 0% | 8% |
| 55 | 21 | 27 |
| 57 | 13 | 27 |
| 60 | 21 | 36 |
| 62 | 22 | 36 |
| 65 | 21 | 32 |
| 67 | 38 | 55 |
| 70 | 50 | 50 |
| 75 | 100 | 100 |

Members of the 25 & Out Plan are assumed to retire at rates that vary by service with 100% retirement assumed by age 75. Sample rates are as follows:

| 25 & Out Plan | |
|---|---|
| Service | Assumption |
| <25 | Same as State Regular |
| 25 | 30% |
| 30 | 17 |
| 32 | 33 |
| 35 | 33 |
| 38+ | 100 |

Members of the Fire Marshals Plan are assumed to retire at rates that vary by service with 100% retirement assumed by age 75. Sample rates are as follows:

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# APPENDIX C — ACTUARIAL ASSUMPTIONS AND METHODS

| Fire Marshals Plan | |
|---|---|
| Service | Assumption |
| <20 | Same as State Regular |
| 20 | 30% |
| 25 | 17 |
| 27 | 33 |
| 30 | 33 |
| 33+ | 100 |

## 11. Sample Rates of Disability at Selected Ages (number becoming disabled per 10,000 members)*

| State Employees | | | |
|---|---|---|---|
| Age | Regular | Special | Teachers |
| 25 | 1.3 | 5.3 | 1.0 |
| 30 | 1.5 | 6.3 | 1.1 |
| 35 | 6.1 | 10.2 | 1.1 |
| 40 | 9.9 | 16.1 | 1.5 |
| 45 | 12.2 | 25.0 | 3.0 |
| 50 | 16.1 | 40.0 | 6.4 |
| 55 | 25.0 | 45.8 | 21.3 |
| 60 | 38.4 | 47.5 | 21.4 |

* 10% assumed to receive Workers Compensation benefits offsetting disability benefit.

## 12. Family Composition Assumptions

80% of male active members are assumed to be married and have two children born when the member is 30 and 34; children are assumed dependent until age 18; a female spouse is assumed to be two years younger than a male member; member is assumed to have no dependent parents.

50% of female active members are assumed to be married and have two children born when the member is 28 and 32; children are assumed dependent until age 18; a male spouse is assumed to be one year older than a female member; member is assumed to have no dependent parents.

An unmarried member is assumed to have beneficiaries entitled to benefits worth 80% as much as those of married members' beneficiaries.

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# APPENDIX C — ACTUARIAL ASSUMPTIONS AND METHODS

## 13. Vacation/Sick Leave Credits

Members can use up to 90 days of unused, unpaid vacation and sick leave at retirement to increase creditable service.

For members who had 10 years of service on July 1, 1993, payment for up to 30 days of unused vacation and sick leave may be used to increase final average compensation, subject to an earnings cap. To reflect this, projected retirement benefits are increased by 0.48% for state (regular) employees and 0.75% for teachers for impacted members.

## 14. Technical and Miscellaneous Assumptions

Decrement Timing: Middle of the valuation year.

Pay Increase Timing: Salary provided is treated as the rate of pay as of the valuation date. Annual increases are applied as of the beginning of each subsequent valuation.

Member Contribution Interest Rate: Reflect actual historical member contribution interest rates from 1970 through the valuation; future contribution interest assumed to equal the inflation assumption of 2.75%.

Special Plan Member Contribution Rates: For members of Special Plans where the contribution rate drops from 8.65% to 7.65% after a given number of years, 8.65% is used for all years for valuation purposes as a simplifying assumption reflecting data limitations.

## 15. Rationale for Assumptions

The demographic assumptions were adopted by the Board of Trustees at their March 12, 2026 meeting. The demographic assumptions adopted were based on an experience study covering the period from July 1, 2020 through June 30, 2025.

The economic assumptions were adopted by the Board of Trustees at their June 11, 2026 meeting. The economic assumptions adopted were based on an experience study of economic factors through May 2026 along with advice of the MainePERS investment consultants.

In our professional judgment, the combined effect of the assumptions has no significant bias.

The LDROM discount rate is the single equivalent rate determined by matching System cashflows to US Treasury Securities yields as of the measurement date as published by the Federal Reserve.

## 16. Assumption Changes Since Last Valuation

The mortality, disability, termination, retirement, and salary increase rates as well as the family composition assumptions have been updated based on the most recent experience study.

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# APPENDIX C — ACTUARIAL ASSUMPTIONS AND METHODS

The LDROM discount rate was updated to 4.85% based on Treasury yields as of June 30, 2026.

### 17. Rationale for Change in Actuarial Assumptions

The demographic assumption changes are based on the experience study covering the period from July 1, 2020 through June 30, 2025. Please see the July 2026 experience study report for the rationale for the changes.

### 18. Disclosure for Actuarially Determined Contribution Method

The actuarial methods used to determine the Actuarially Determined Contribution have been selected to balance benefit security, intergenerational equity, and stability of Actuarially Determined Contributions. The selection of the actuarial methods has taken into account the demographics of plan members, the funding goals and objectives of the Board, and the need to accumulate assets to make benefit payments when due. The Actuarially Determined Contribution disclosed in this report represents a reasonable Actuarially Determined Contribution in accordance with Actuarial Standard of Practice (ASOP) No. 4.

### 19. Disclosure of Models Used

ProVal: Cheiron utilizes ProVal, an actuarial valuation software leased from Winklevoss Technologies (WinTech) to calculate the liabilities, normal costs, and projected benefit payments. We have relied on WinTech as the developer of ProVal. We have reviewed ProVal and have a basic understanding of it and have used ProVal in accordance with its original intended purpose. We have not identified any material inconsistencies in assumptions or output of ProVal that would affect this actuarial valuation.

Projection Model: This report includes projections of future contributions, assets, liabilities, and funded status for the purpose of assisting the Board of Trustees with the management of the Fund. We have used Cheiron's P-Scan model to develop these projections. The model is also used to stress test the impact of volatile asset returns over the projection period.

The P-Scan projection uses projected benefit payments for current members for the first 10 years and then assumes a growth rate for future years of 3% per year. The P-Scan projection uses standard roll-forward techniques that implicitly assume a stable active population. Changes in the demographic characteristics of the active population will lead to different results.

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# APPENDIX C — ACTUARIAL ASSUMPTIONS AND METHODS

## B. Actuarial Methods

### 1. Funding and LDROM Cost Method

For the Plans in this Program, the funding methodology employed is the Entry Age Normal Cost Method. Under this method, there are two components to the total contribution: the normal cost rate (NC rate), and the Unfunded Actuarial Liability rate (UAL rate). Both of these rates are developed for each Plan within the Program, consisting of the Teacher Program, the State Regular Plan, and several State Special Plans.

For each Plan in the Program, an individual Entry Age Normal cost rate is determined for each active member. The normal cost is determined by the following steps. First, an individual normal cost rate is determined by taking the value, as of entry age into a Plan, of each active member's projected future benefit. Second, this value is then divided by the value, also at entry age, of the member's expected future salary. Finally, the rate is reduced by the member contribution rate to produce the employer normal contribution rate. These rates are then multiplied by each member's salary as of the valuation date to get the total normal cost dollars as of the valuation date for that Plan and then divided by the total payroll at the valuation for the Plan to get the normal cost rate for that Plan. This process results in specific normal cost rates for each of the Plans in the Program.

The Unfunded Actuarial Liability under the Entry Age Normal Cost Method equals the present value, at the time of valuation, of the future benefit payments less the present value of future employer normal cost contributions, future member contributions, future UAL payments, and current assets. The UAL rate determined is the percentage that when applied to member payroll is expected to amortize the UAL according to the Program's amortization policy. Specifically, the remaining original UAL has two years of its prescribed amortization period remaining and all other gains and losses, including assumption changes, are initially amortized over 20-year periods beginning on the date as of which they occur. The UAL amortization uses a level percentage of pay method with payroll assumed to increase at 2.75% annually. Amortization payments are assumed to occur at each pay period. Benefit changes are funded immediately and are therefore not included in the amortization of the UAL. With the 2022 ratemaking, the 2014 gain base was accelerated by six years from the standard 20-year schedule. In June 2026, the Board adopted changes in the funding policy to establish an initial target total employer contribution rate of 12% for FY 2029 and subsequent changes in the total employer contribution rate to be managed within 1% of payroll year-to-year, where possible. This will be accomplished by adjusting amortization layers, within statutory limits. For FY 2029, all outstanding UAL amortization loss layers will be accelerated by 3 years from their original 20-year schedule.

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# APPENDIX C — ACTUARIAL ASSUMPTIONS AND METHODS

## 2. Asset Valuation Method

For purposes of determining the employer contributions to the Program and the Program's funded ratio, we use an Actuarial Value of Assets. The asset adjustment method dampens the volatility in asset values that could occur because of fluctuations in market conditions. Use of an asset smoothing method is consistent with the long-term nature of the actuarial valuation process.

In determining the Actuarial Value of Assets, we calculate an expected actuarial value based on the cash flows for the year and imputed returns at the actuarial assumption. This expected value is compared to the actual fair value at the valuation date and one-third of the difference is added to the preliminary actuarial value to arrive at the final actuarial value.

## 3. FASB ASC 960 Cost Method

The cost method for valuation of liabilities for FASB ASC 960 purposes is the Unit Credit Cost Method. This is one of a family of valuation methods known as accrued benefits methods. The chief characteristic of accrued benefits methods is that the funding pattern follows the pattern of benefit accrual. The accrued liability, which is determined for each Participant as of each valuation date, represents the actuarial present value of each Participant's benefit earned prior to the valuation date.

## 4. Method Changes Since Last Valuation

None.

## 5. Rationale for Change

N/A.

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# APPENDIX D — GLOSSARY OF GASB TERMS

## 1. Actuarially Determined Contribution

A target or recommended contribution for the reporting period, determined in conformity with Actuarial Standards of Practice based on the most recent measurement available when the contribution for the reporting period was adopted.

## 2. Actuarial Valuation Date

The date as of which an actuarial valuation is performed. This date may be up to 24 months prior to the measurement date and up to 30 months prior to the employer's reporting date.

## 3. Deferred Inflow of Resources

An acquisition of net assets by a government employer that is applicable to a future reporting period. In the context of GASB 68, these are experience gains on the Total Pension Liability, assumption changes reducing the Total Pension Liability, or investment gains that are recognized in future reporting periods.

## 4. Deferred Outflow of Resources

A consumption of net assets by a government employer that is applicable to a future reporting period. In the context of GASB 68, these are experience losses on the Total Pension Liability, assumption changes increasing the Total Pension Liability or investment losses that are recognized in future reporting periods.

## 5. Entry Age Actuarial Cost Method

The actuarial cost method required for GASB Nos. 67 and 68 calculations. Under this method, the actuarial present value of the projected benefits of each individual, included in an actuarial valuation, is allocated on a level basis over the earnings of the individual between entry age and assumed exit ages. The portion of this actuarial present value allocated to a valuation year is called the Service Cost. The portion of this actuarial present value not provided for at a valuation date by the actuarial present value of future service costs is called the Total Pension Liability.

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# APPENDIX D — GLOSSARY OF GASB TERMS

## 6. Measurement Date

The date as of which the Total Pension Liability and Program Fiduciary Net Position are measured. The Total Pension Liability may be projected from the Actuarial Valuation Date to the Measurement Date. The Measurement Date must be the same as the Reporting Date for the Program.

## 7. Net Pension Liability

The liability of employers and non-employer contributing entities for employees for benefits provided through a defined benefit pension plan. It is calculated as the Total Pension Liability less the Program Fiduciary Net Position.

## 8. Program Fiduciary Net Position

The fair or Market Value of Assets.

## 9. Reporting Date

The last day of the Program or employer's fiscal year.

## 10. Service Cost

The portion of the actuarial present value of projected benefit payments that is attributed to the current period of employee service in conformity with the requirements of GASB Nos. 67 and 68. The Service Cost is the normal cost calculated under the entry age actuarial cost method.

## 11. Total Pension Liability

The portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service in conformity with the requirements of GASB Nos. 67 and 68. The Total Pension Liability is the Actuarial Liability calculated under the entry age actuarial cost method. This liability is not an appropriate measurement of the settlement liability of the Program.

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CHEIRON Classic Values, Innovative Advice

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# Maine Public Employees Retirement System Legislative Retirement Program Actuarial Valuation Report as of June 30, 2026

**Produced by Cheiron**

**October 2026**

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# LETTER OF TRANSMITTAL

October 8, 2026

Board of Trustees
Maine Public Employees Retirement System
PO Box 349
Augusta, Maine 04332-0349

Dear Members of the Board:

We are pleased to submit the June 30, 2026 Actuarial Valuation Report for the Maine Legislative Retirement Program (Program) of the Maine Public Employees Retirement System (MainePERS or System).

The purpose of this report is to present the annual actuarial valuation of the Legislative Retirement Program of the Maine Public Employees Retirement System. This report contains information on assets, liabilities, and contributions of the Program, as well as required accounting statement disclosures under the Governmental Accounting Standards Board (GASB) Statement No. 67.

In preparing our report, we relied on information, some oral and some written, supplied by the System's staff. This information includes, but is not limited to, the Plan provisions, employee data, and financial information as of the valuation date. We performed an informal examination of the obvious characteristics of the data for reasonableness and consistency in accordance with Actuarial Standard of Practice No. 23, *Data Quality*.

Future results may differ significantly from the current results presented in this report due to such factors as the following: Program experience differing from that anticipated by the assumptions, changes in assumptions, and changes in Plan provisions or applicable law.

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

This actuarial report was prepared exclusively for MainePERS for the purposes described herein and for the use by the Program auditor in completing an audit related to the matters herein. Other users of this report are not intended users as defined in the Actuarial Standards of Practice, and Cheiron assumes no duty or liability to such other users.

Sincerely,
Cheiron

Gregory A. Reardon, FSA, EA
Principal Consulting Actuary

Bonnie Rightnour, FSA, EA
Principal Consulting Actuary

cc: Gene Kalwarski, Cheiron
Fiona Liston, Cheiron
Kathleen Weaver, Cheiron

# FOREWORD

Cheiron has completed the Actuarial Valuation Report for the Maine Public Employees Retirement System (MainePERS or System) Legislative Retirement Program (Program) as of June 30, 2026. The purpose of this report is to:

1. Measure and disclose, as of the valuation date, the financial condition of the Program,
2. Examine historical Program trends,
3. Assess and disclose actuarial risks of the Program,
4. Report on the contribution rates developed in this valuation for informational purposes (Note: the actual contributions paid by the State for fiscal year (FY) 2026 were developed in the budgeting process in July 2024, based on a roll-forward of the June 30, 2023 valuation), and
5. Provide specific information required for MainePERS's financial disclosures.

An actuarial valuation establishes and analyzes assets and liabilities on a consistent basis and tracks the progress of both from one year to the next. It includes measurement of investment performance as well as an analysis of Actuarial Liability gains and losses.

**Section I** presents a summary containing our key findings, disclosing important Program trends in recent years, and providing analysis relating to the future status of the Program.

**Section II** assesses and discloses various actuarial risk measures of the Program.

**Section III** contains details on various asset measures, together with pertinent performance measurements.

**Section IV** shows similar information on liability measures for various purposes, including analysis of key changes in the measures.

**Section V** develops informational employer contribution rates to be compared to those established during the ratemaking process.

**Section VI** includes financial disclosure information.

Finally, we present appendices containing the following summaries:

- Program membership information at the valuation date (Appendix A),
- Major benefit provisions of the Program (Appendix B),
- Actuarial assumptions and methods used in the current valuation (Appendix C), and
- Terminology used in the Governmental Accounting Standards Board (GASB) disclosures (Appendix D).

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MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM MAINE LEGISLATIVE RETIREMENT PROGRAM
ACTUARIAL VALUATION AS OF JUNE 30, 2026

# SECTION I — BOARD SUMMARY

## General Comments

The annual employer contributions to this Program are determined on a biennial basis in even years. The contributions for fiscal year (FY) 2026 and FY 2027 were developed through this ratemaking process in 2024. The assets used in developing these rates were the preliminary June 30, 2024 assets. These were then combined with estimated liability measures as of June 30, 2024, developed as an adjustment (i.e., roll-forward) of the liabilities of the June 30, 2023 actuarial valuation. This adjustment included updating to reflect anticipated growth in benefits, reductions due to benefit payouts, and any changes in assumptions or benefits between the June 30, 2023 valuation date and the June 30, 2024 measurement date. Similarly, the contributions for FY 2028 and FY 2029 were developed in July of 2026 and were based on estimated assets as of June 30, 2026 and estimated June 30, 2026 liabilities based on a roll-forward of the June 30, 2025 actuarial valuation liabilities using the same adjustment methodology described above.

The results of this June 30, 2026 valuation will be used primarily for accounting disclosures. Next year's June 30, 2027 valuation, adjusted to a June 30, 2028 measurement date and combined with preliminary assets as of June 30, 2028, will be used as the basis for the applicable FY 2030 and FY 2031 employer contributions.

## Experience from July 1, 2025 through June 30, 2026 (FY 2026)

With respect to investment experience for the fiscal year ending June 30, 2026, measured on a Market Value of Assets (MVA) basis, MainePERS experienced an investment return of positive 11.43%. The June 30, 2026 MVA is more than the expected Actuarial Value of Assets (AVA) based on the assumed rate of return assumption of 6.50%. Given the asset smoothing method in place, only one-third of that gain is recognized in the AVA. As a result, the AVA investment return for MainePERS was 9.17%. For this Program, when compared to the expected AVA using Program-specific cashflows translates to a gain for the year of $0.477 million.

With respect to liability experience for the fiscal year ending June 30, 2026, the Program experienced a net liability loss of $0.666 million more than the expected growth of $0.840 million (a 5.0% increase in total liabilities beyond expected growth). Of this net loss, $0.558 million was due to salaries increasing more than expected, $0.027 million was due to the COLA exceeding assumed increases and the balance of the liability experience was attributable to members retiring, terminating, and dying at rates different than expected. The net liability loss was almost fully offset by a gain of $0.599 million attributable to the net effect of assumption changes from the June 30, 2025 Experience Study approved by the Board on March 12, 2026.

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# SECTION I — BOARD SUMMARY

Combining the investment and liability experience produced a total experience gain of $0.410 million. This translates to an informational total employer contribution of 0.00% of payroll as of June 30, 2026. This is the same as the June 30, 2025 valuation contribution rate of 0.00% of payroll.

As of the June 30, 2026 valuation, the Program has an Unfunded Actuarial Liability (UAL) of ($5.164) million (i.e., a surplus) based on the AVA. This represents an increase in the surplus position of $0.365 million from the ($4.799) million AVA UAL measured as of June 30, 2025. This compares to an expected decrease in the surplus position of $0.045 million. The specific factors contributing to this change are presented in Table I-1. This table has separate columns showing the components of the changes in liabilities and investments during FY 2026 as well as their combined effect on the UAL.

**Table I-1**
**(Amounts in Millions)**

| | Liabilities | Assets | UAL |
|---|---|---|---|
| Value as of June 30, 2025 | $ 13.362 | $ 18.161 | $ (4.799) |
| Expected Change | 0.840 | 0.795 | 0.045 |
| Impact of Plan Changes | 0.000 | 0.000 | 0.000 |
| Impact of Assumption Changes | (0.599) | 0.000 | (0.599) |
| Recognized Investment Gain | 0.000 | 0.477 | (0.477) |
| Recognized Liability Loss | 0.666 | 0.000 | 0.666 |
| Value as of June 30, 2026 | $ 14.269 | $ 19.433 | $ (5.164) |

*This table uses the Actuarial Value of Assets. Results would be different if the market value were used.*

The remainder of this Board Summary section summarizes the Program's historical trends and summarizes the principal results of the valuation. These principal results compare key results between this and last year's valuations for member counts, assets, and liabilities, and contribution rates.

## Trends

It is important to take a step back from the latest results and view them in the context of the Program's history. On the next few pages, we present a series of graphs that display key historical trends relating to the Program's condition.

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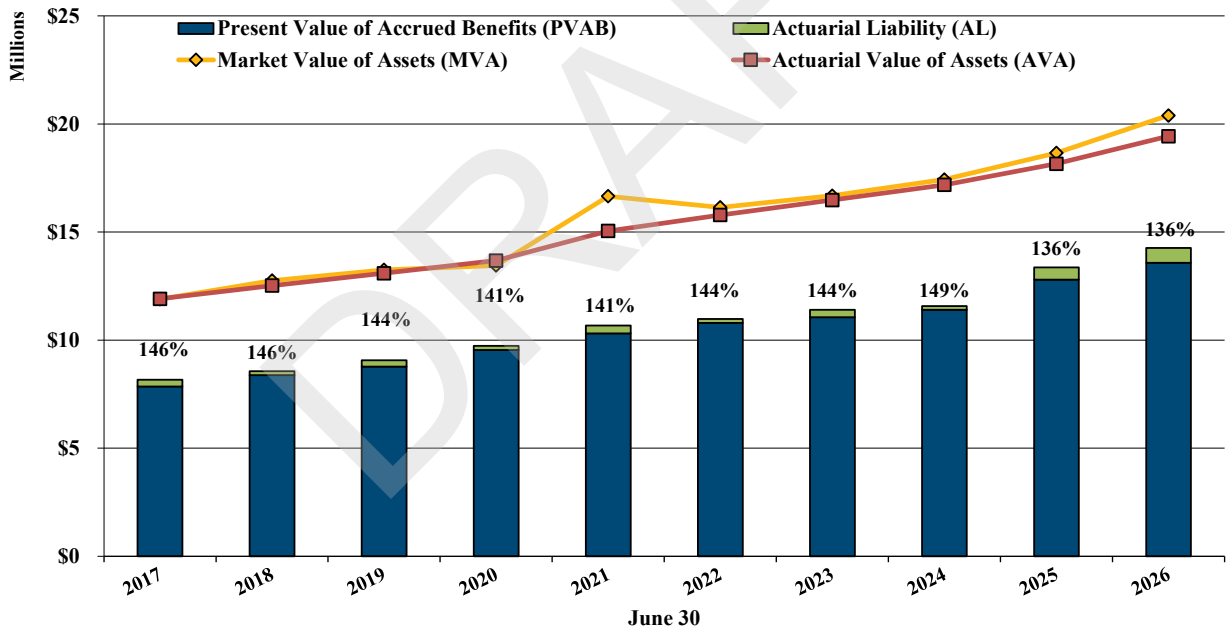
# SECTION I — BOARD SUMMARY

## ASSETS AND LIABILITIES

The following graph illustrates the progress of assets and liabilities for the Program since June 30, 2017, as well as the Program's funded ratio on an Actuarial Value of Assets (AVA) basis.

Liability measures are shown as bars as of June 30 of the indicated years. The Actuarial Liability (AL), the liability measure used for the Program's funding purposes, is represented by the top of the green bars. The blue bars represent the Present Value of Accrued Benefits (PVAB). These liability measures are discussed further in Section IV. Measures of the assets are shown as lines. The AVA is shown with a red line, while the Market Value of Assets (MVA) is shown as a yellow line. The AVA divided by the AL is the AVA funded ratio that is often used in evaluating the Program's funded status. The value of this metric at each valuation date is shown as the percentages in the graph labels.




As of June 30, 2026, the Program's AVA-based funded ratio is 136.2%, which represents an increase from the 135.9% ratio reported in the prior valuation. Legislative pays were adjusted during FY 2025, resulting in a large increase in liability. The 10-year history in the graph shows that over this period, the Program's funded ratio has averaged over 142% on an AVA basis. Measured on an MVA basis, the funded ratio is 142.9% as of June 30, 2026.

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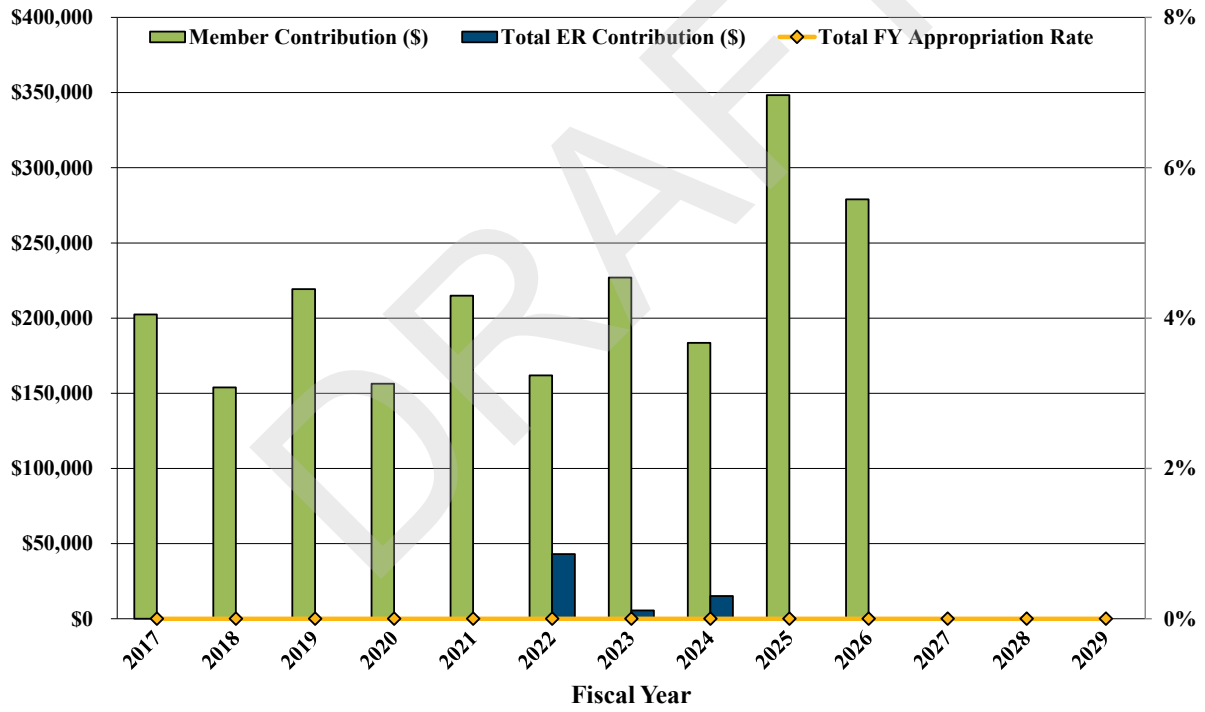
MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM MAINE LEGISLATIVE RETIREMENT PROGRAM
ACTUARIAL VALUATION AS OF JUNE 30, 2026

# SECTION I — BOARD SUMMARY

## CONTRIBUTIONS

The next graph shows the history of contributions to the Program, both as dollar amounts and as percentages of payroll. The bars in this graph show the contributions made by both the employers and the members in dollar terms for each fiscal year (FY) since 2017. These bars are read using the left-hand axis. The gold line shows the total appropriated employer contribution rate for the applicable FY as a percentage of payroll and references the right-hand axis. These rates are those determined by the ratemaking process rather than the informational rates determined in the annual valuations. The FY 2027 through FY 2029 contribution rates have already been determined based on the ratemaking process, so three additional years of the contribution rates are shown versus dollars received.




The member contribution rates are set by statute. The up and down nature of these member contribution amounts is due to the legislative calendar, which includes alternating long and short terms. The spike in FY 2025 is due to the large increase in payroll as a result of the legislated increases in pay. The total employer contribution rate is set by the ratemaking process on a biennial basis. The contribution rate for FY 2026 was based on a roll-forward of the June 30, 2023 valuation to June 30, 2024, as previously described in this Board Summary.

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# SECTION I — BOARD SUMMARY

For this Program, the employer contribution rate has been 0% of pay since before 2017, so the gold line of the total appropriated employer contribution rate is shown as a constant at zero percent. The blue bars showing employer contributions in dollars represent transfers or cost-of-living adjustment (COLA) payments made during the fiscal year indicated.

## PARTICIPANT TRENDS

The stacked bars in the graph that follows show the number of active members, terminated vested members, and members in pay status covered by the Program as of June 30 of each year and are read using the left-hand axis of the graph. As with many funds in this country, there has been a steady growth in the number of retired members as the Program has matured.

The labels above each bar show the "support ratio," which is the ratio of inactive members (members in pay status plus terminated vested members) to active members. This ratio has been generally increasing for the Program. As this ratio grows, the cash flows (contributions less benefits and expenses) of a pension plan tend to become more negative. The more negative a plan's cash flows, the more sensitive the plan is to volatile investment markets, resulting in a higher likelihood of contribution volatility.

The gold line in the graph indicates the total active member covered payroll in the Program and is read using the right-hand axis of the graph. Generally, it has been gradually increasing or steady, with the exception of the larger increases in FY 2025 and 2026.

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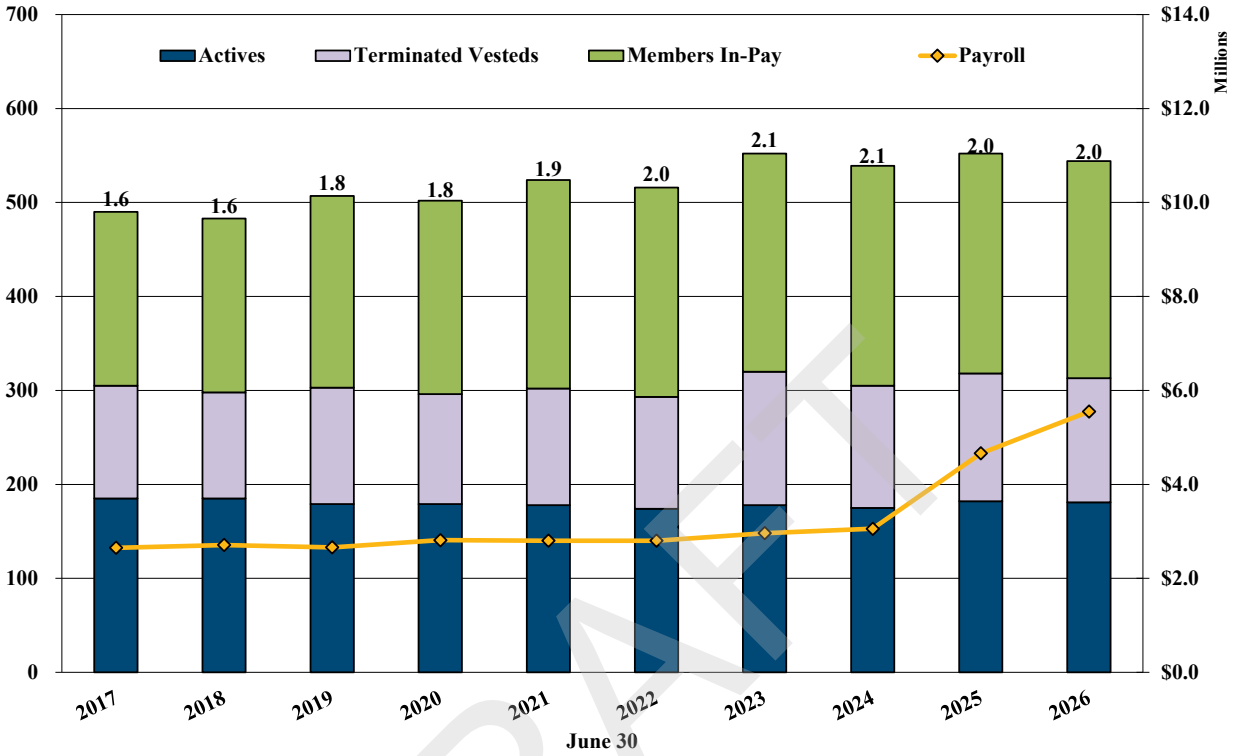
MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM MAINE LEGISLATIVE RETIREMENT PROGRAM
ACTUARIAL VALUATION AS OF JUNE 30, 2026

# SECTION I — BOARD SUMMARY




## Principal Results Summary

The last section of this Board Summary section of this Actuarial Valuation Report presents a summary of the principal results of the valuation, comparing key results between this and last year's valuations for member counts, assets and liabilities, and contribution rates.

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MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM MAINE LEGISLATIVE RETIREMENT PROGRAM
ACTUARIAL VALUATION AS OF JUNE 30, 2026

# SECTION I — BOARD SUMMARY

**Table I-2**
**Summary of Principal Results**
**Legislative Retirement Program**

| Valuation as of | June 30, 2025 | June 30, 2026 | % Change |
|---|---|---|---|
| **Member Counts** | | | |
| Active Members | 182 | 181 | (0.5)% |
| Retired Members | 191 | 188 | (1.6)% |
| Beneficiaries of Retired Members | 31 | 31 | 0.0% |
| Survivors of Deceased Members | 10 | 10 | 0.0% |
| Disabled (Current and Former) Members | 2 | 2 | 0.0% |
| Terminated Vested Members | 136 | 132 | (2.9)% |
| Inactives Due Refunds | 96 | 91 | (5.2)% |
| Total Membership | 648 | 635 | (2.0)% |
| Annual Payroll of Active Members | $ 4,662,018 | $ 5,548,500 | 19.0% |
| Annual Payments to Benefit Recipients | $ 604,905 | $ 615,356 | 1.7% |
| **Assets and Liabilities** | | | |
| Actuarial Liability (AL) | $ 13,362,047 | $14,268,535 | 6.8% |
| Actuarial Value of Assets (AVA) | 18,160,789 | 19,432,820 | 7.0% |
| Unfunded AL (UAL) | $ (4,798,742) | $(5,164,285) | (7.6)% |
| AVA Funded Ratio (AVA/AL) | 135.9% | 136.2% | |
| MVA Funded Ratio (MVA/AL) | 139.6% | 142.9% | |
| Accrued Benefit Liability (PVAB) | $ 12,795,308 | $13,577,694 | 6.1% |
| Market Value of Assets (MVA) | 18,658,033 | 20,392,813 | 9.3% |
| Unfunded PVAB | $ (5,862,725) | $(6,815,119) | (16.2)% |
| MVA Accrued Benefit Funded Ratio | 145.8% | 150.2% | |
| **Contributions as a Percentage of Payroll** | | | |
| Employer Normal Cost Rate | 5.74% | 4.99% | |
| UAL Amortization Rate | (12.42)% | (11.23)% | |
| Total Employer Rate, Not Less Than Zero | 0.00% | 0.00% | |
| | **2024 Ratemaking** | | **2026 Ratemaking** | |
| Total Employer Budgeted Rates | FY 2026 | 0.00% | FY 2028 | 0.00% |
| Total Employer Budgeted Rates | FY 2027 | 0.00% | FY 2029 | 0.00% |

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# SECTION II — RISK ASSESSMENT AND DISCLOSURE

## Introduction

The Program's actuarial valuation results are dependent on assumptions about future economic and demographic experience. Based on Actuarial Standards of Practice, these assumptions represent a reasonable estimate for future experience. However, the actual future experience will never conform exactly to these assumptions and may differ significantly from the assumptions. This deviation is a risk that pension plan sponsors bear in relying on a pension plan's actuarial valuation results.

This section of this report is intended to identify the primary drivers of these risks, provide background information and assessments about these identified risks, and communicate the significance of these risks to this Program. This section for this Program, as well as the Judicial Program, is limited in comparison to the risk sections for the two larger Programs, the State Employee and Teacher Retirement Program and the Participating Local District Retirement Program. This limitation reflects the relatively smaller nature of these two Programs as well as their robust funded statuses. It is thus our belief that the additional information that is included in the reports for the larger Programs would not be significantly beneficial in improving the Board's understanding of the identified risks for these two smaller Programs.

## Identification of Risks

For this Program, the three primary valuation results that can significantly differ from those expected are the assets, the liabilities, and the employer contributions. While there are several factors that could lead to these results being different, we believe the primary risks for this Program are:

- Investment risk,
- Longevity and other demographic risks,
- Plan change risk, and
- Assumption change risk

Other risks that we have not identified may also turn out to be significant.

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# SECTION II — RISK ASSESSMENT AND DISCLOSURE

Investment Risk is the potential for investment returns to deviate from what is expected. When actual investment returns are lower than the investment assumption used in the actuarial valuation, the unfunded liability will increase from what was expected and will require higher contributions than otherwise anticipated. But, when actual returns exceed those assumed, the resulting unfunded liability measurements and Actuarially Determined Contributions will be lower than anticipated. As seen in the historical section that follows, this has been a significant driver of deviations in the actual measurements for this Program from those expected by the prior valuations. However, the cumulative magnitude of these deviations over the period shown has been muted as a result of offsetting deviations.

Longevity and Other Demographic Risk is the potential for mortality or other demographic experience to be different than expected. Generally, longevity and other demographic risks emerge slowly over time as the actual experience deviates from expectations. In addition, the extensive number of assumptions related to longevity and other demographic experience often result in offsetting deviations contributing to the Program's overall liability experience. As such, these risks are often dwarfed by other risks, particularly those due to the investment returns. However, for small plans like this, there are relatively few members, and so the behavior of individual members can have a significant impact on the liabilities. The following historical section shows that this is true for this Program in individual years. With the exception of the large liability loss in FY 2025 and 2026 due to the legislated pay increases, these deviations have been offsetting such that the cumulative magnitude for the period shown is relatively minor.

Plan Change Risk is the potential for the provisions of the Program to be changed such that the funding or benefits are changed materially. In addition to the actual payments to and from the Program being changed, future valuation measurements can also be impacted, with Program changes leading to deviations between actual future measurements and those expected by prior valuations. Over the period shown in the following historical section, this Program experienced no plan changes.

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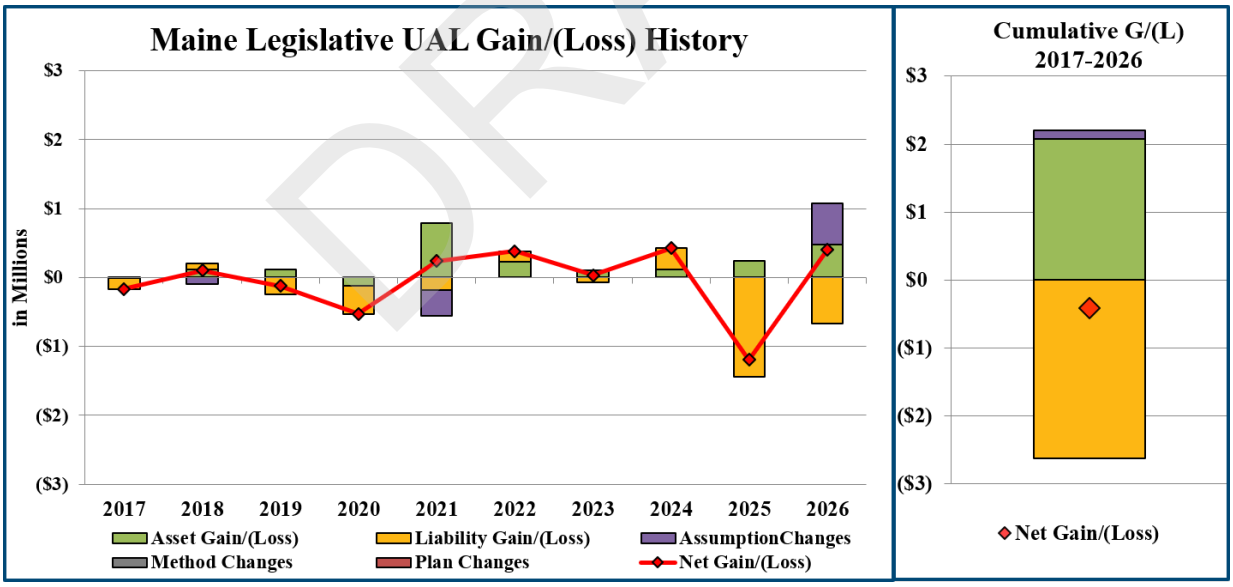
# SECTION II — RISK ASSESSMENT AND DISCLOSURE

Assumption Change Risk is the potential for the environment to change such that future valuation assumptions are adjusted to be different than the current assumptions. For example, declines in interest rates over time may result in a change in the assumed rates of return used in the valuation. A healthier workforce may result in changes in employee behavior such that retirement rates are adjusted to reflect employees working longer. Assumption change risk is an extension of the risks previously identified, but rather than capturing the risk as it is experienced, it captures the cost of recognizing a change in the environment, resulting in the current assumption no longer being reasonable. The historical review section will show that assumption change risk has been a significant risk for this Program in some individual years, but has netted out to a small impact over the period shown.

## Historical Experience Deviations

In understanding the impact of some of these risks, it is useful to look at past experience deviations. These deviations are commonly referred to as actuarial gains and losses. The following graph shows the gains/(losses) at each valuation date between the actual and expected experience broken down by cause for the last 10 years.




As described previously, and as evident in this graph, liability and asset gains and losses have been the greatest sources of deviations for the Program cumulatively. While assumption changes have not been a significant source cumulatively for this period, they have been sources of significant risk in individual years.

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# SECTION II — RISK ASSESSMENT AND DISCLOSURE

## Plan Maturity Measures

As pension plans become more mature, the primary risks of adverse investments, demographic deviations, plan changes, and assumption/method changes become of more significant concern as the resulting impacts on the Program's condition are more pronounced. As a result, it has become increasingly important to examine measures that indicate a pension plan's maturity level. With shrinking workforces, aging Baby Boomers, and retirees living longer, plans pay out more in benefits than they receive in contributions – leading to negative cash flows, excluding investment income. This dynamic makes it harder for a plan to recover from losses since contributions are generally made based on active payroll.

One of the main reasons risks are more amplified with a mature plan is that when plans with negative net cash flows suffer investment losses, they need to liquidate enough assets to pay for benefits in excess of contributions. That means these plans will need to earn higher returns to rebuild their assets to the previous levels. Plans with negative net cash flows exceeding five percent of assets are especially vulnerable to asset losses.

The balance of this section discloses and examines three maturity measures: the asset leverage ratio, the liability leverage ratio, and the support ratio.

### Asset Leverage Ratio

One important plan maturity measure is the asset leverage ratio, the Market Value of Assets divided by the plan's payroll. This measure represents the multiple of an asset loss as a percentage of payroll that would need to be contributed to make up a given change in the plan's assets. As a plan matures, its assets increase, and a greater proportion of the assets are paid out in benefit payments to members. The greater the plan's assets are relative to payroll, the more vulnerable the plan is to investment volatility in terms of the resulting contribution requirement changes.

As an example, here are two plans that both experience a 10% investment loss equaling $500 million on their existing assets of five billion dollars. Plan A's asset leverage ratio is 10, and Plan B's ratio is five. This means that Plan A has to spread, or amortize, that loss over a payroll that is half as large as Plan B's. As seen in the chart below, this results in the percentage of payroll that Plan A would need to contribute to make up the loss being double what would be required for Plan B.

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# SECTION II — RISK ASSESSMENT AND DISCLOSURE

| | ($ in millions) | |
|---|---|---|
| | Plan A | Plan B |
| Plan Assets | $ 5,000 | $ 5,000 |
| Payroll | $ 500 | $ 1,000 |
| Asset Leverage Ratio | 10.0 | 5.0 |
| | | |
| 10% Loss | $ 500 | $ 500 |
| 10% Loss as % of Payroll | 100% | 50% |

This Program's asset leverage ratio was generally increasing over the last decade but recently dropped to 3.7 due to the increase in payroll during FY 2025 and 2026. As a result of the drop in this ratio, investment losses represent a smaller proportion of payroll.

### Liability Leverage Ratio

Another leverage ratio that can be examined is the liability leverage ratio, the ratio of actuarial liabilities to payroll. The greater the plan's liabilities are relative to payroll, the more vulnerable the plan is to experience volatility. As previously discussed, the small nature of this Program means that the magnitude of liability gains and losses is often greater relative to the liabilities compared to what larger plans experience, so it is valuable to be aware of this ratio. For this Program, this metric has also been generally increasing over the last decade, except for the last two years due to the increase in payroll, and is currently less than 3.0.

### Support Ratios

Another commonly used measure of plan maturity is the support ratio, the ratio of in-pay and inactive members, or those receiving benefits or entitled to a deferred benefit, to the number of active members, or those currently accruing benefits in the plan. The greater this ratio, the more mature a plan is considered, with the proportion of the plan's liability represented by actives generally declining.

A graph of this ratio was shown in the prior section, which showed that this ratio has been generally increasing for this Program in recent years and is currently approximately 2.0 participants either in-pay or with a deferred benefit for each active member.

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# SECTION III — ASSETS

Pension plan assets play a key role in the financial operation of plans and in the decisions that Trustees make with respect to future deployment of those assets. The level of assets, the allocation of assets among asset classes, and the methodology used to measure assets will likely affect benefit levels, employer contribution rates, and the ultimate security of members' benefits.

The assets for all Defined Benefit (DB) Programs administered by MainePERS are invested together. These Programs are the State Employee and Teacher Retirement Program, the Judicial Retirement Program, the Legislative Retirement Program, which is valued in this report, and the Participating Local District (PLD) Retirement Program, including both the Consolidated Plan and the several Nonconsolidated PLDs. The assets of these Programs are entirely commingled for investment purposes, so the Actuarial Value of Assets (AVA) for each of these Programs is developed by first developing it for the entire asset pool and then subsequently allocating that total AVA to each of the specific Programs.

In this section, we present detailed information on the Program's assets, including:

- Disclosure of total MainePERS DB assets at June 30, 2026,
- Statement of changes in total MainePERS DB market values during the year,
- Development of the total MainePERS DB AVA,
- Allocation of the total actuarial value to MainePERS DB Programs,
- Assessment of the total MainePERS DB investment performance, and
- Projection of expected cash flows for the Program for the next 10 years.

## Disclosure

The Market Value of Assets (MVA) represents a "snapshot" or "cash-out" value, which provides the principal basis for measuring financial performance from one year to the next. However, market values can fluctuate widely with corresponding swings in the marketplace, resulting in volatility in the resulting contributions if the unadjusted market value is used in the valuation process that develops the contributions. Therefore, a smoothed Actuarial Value of Assets is developed for use in the valuation process and for evaluating the Program's ongoing ability to meet its obligations. The actuarial value of the Program's assets is developed by allocating the actuarial value of the total MainePERS DB assets to each Program. This section discloses the market and actuarial values of the MainePERS DB assets, both in total and for each Program.

Table III-1 that follows develops the change in the Market Value of Assets for the total MainePERS DB assets during FY 2026.

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# SECTION III — ASSETS

## Table III-1
## Changes in Market Value of Total MainePERS Defined Benefit (DB) Assets

| | | |
|---|---|---|
| **Market Value of Total MainePERS DB Assets – June 30, 2025** | | **$ 21,408,715,435** |
| **Additions** | | |
| Contributions: | | |
| Employer Contributions | $ 661,182,226 | |
| Member Contributions | 288,944,816 | |
| Transfers | (306,005) | |
| Total Contributions | $ 949,821,037 | |
| Investment Income: | | |
| Net Appreciation (Depreciation) in Fair Value of Investments | $ 2,572,063,734 | |
| Interest on Bank Balances | 3,190,606 | |
| Total Investment Income | $ 2,575,254,340 | |
| Investment Activity Expenses: | | |
| Management Fees | $ (126,310,487) | |
| Investment Related Expense | (6,445,905) | |
| Banking Fees | (24,506) | |
| Total Investment Activity Expenses | $ (132,780,898) | |
| Net Income from Investing Activities | $ 2,442,473,442 | |
| Total Additions | | $ 3,392,294,479 |
| **Deductions** | | |
| Retirement Benefits | $ (1,298,329,155) | |
| Disability Benefits | (26,691,717) | |
| Survivor Benefits | (29,574,581) | |
| Refunds | (32,712,154) | |
| Administrative Expenses | (20,697,998) | |
| Total Deductions | | $ (1,408,005,605) |
| **Total** | | |
| Net Increase (Decrease) | | $ 1,984,288,874 |
| **Market Value of Total MainePERS DB Assets – June 30, 2026** | | **$ 23,393,004,309** |

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# SECTION III — ASSETS

## Actuarial Value of Total MainePERS DB Assets

Table III-2 that follows develops the Actuarial Value of Assets for the total MainePERS DB assets as of June 30, 2026 using the adopted actuarial valuation methodology.

**Table III-2**
**Development of Actuarial Value of Total MainePERS Defined Benefit (DB) Assets as of June 30, 2026**

| | | |
|---|---|---|
| 1. | Actuarial Value of Total MainePERS DB Assets at June 30, 2025 | $ 20,838,164,256 |
| 2. | Amount in (1) with Interest to June 30, 2026 | 22,192,644,933 |
| 3. | Total Contributions for FY 2026 | 949,821,037 |
| 4. | Interest on Contributions in (3), Assuming Received Uniformly throughout FY 2026 | 30,383,229 |
| 5. | Total Disbursements without Administrative Expenses for FY 2026 | (1,387,307,607) |
| 6. | Interest on Disbursements in (5), Assuming Payments made Uniformly throughout FY 2026 | (44,377,712) |
| 7. | Expected Actuarial Value of Total MainePERS DB Assets at June 30, 2026 = (2) + (3) + (4) + (5) + (6) | $ 21,741,163,880 |
| 8. | Actual Market Value of Total MainePERS DB Assets at June 30, 2026 | 23,393,004,309 |
| 9. | Excess of (8) Over (7) | 1,651,840,429 |
| 10. | Actuarial Value of Total MainePERS DB Assets at June 30, 2026 = (7) + [33⅓% of (9)] | $ 22,291,777,356 |

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As discussed in the disclosure portion of this section, the Actuarial Value of Assets (AVA) for the Program represents a "smoothed" value developed by the actuary to reduce, or eliminate, volatility in valuation results, particularly contribution rates that could develop from short-term fluctuations in the Market Value of Assets (MVA). Current actuarial methods employed in this Program use an allocated portion of the total AVA for the total MainePERS DB assets based on the Program's MVA to develop the AVA for the Program. The methodology for the total MainePERS DB assets sets the AVA equal to the expected value of the AVA plus one-third of the difference between the actual MVA and the expected AVA. The expected value of the AVA takes the prior year's AVA and adjusts it for contributions, disbursements, and expected interest earnings at the investment return assumption that was in effect for the previous year, 6.50% for this valuation. The previous table, Table III-2, illustrates the calculation of the Actuarial Value of Assets for the total MainePERS DB assets as of June 30, 2026.

# SECTION III — ASSETS

## Allocation of Actuarial Value of Assets to the Program

The assets for the defined benefit (DB) Programs administered by MainePERS are commingled for investment purposes with the total AVA allocated to the individual Programs on the basis of the MVA for each Program. An asset ratio (total MainePERS DB AVA divided by total MainePERS DB MVA) is applied to the MVA attributable to each of the Programs to determine its AVA as of the valuation date. The asset ratio derived in this June 30, 2026 valuation is 0.952925 ($22,291,777,356 ÷ $23,393,004,309). The allocation of the total MainePERS DB AVA to each of the MainePERS DB Programs based on this asset ratio is shown in the following table.

**Table III-3**
**Allocation of Actuarial Value of Total MainePERS DB Assets as of June 30, 2026**

| Program | Market Value | Actuarial Value |
|---|---|---|
| Teachers | $ 12,152,470,780 | $ 11,580,392,556 |
| State (Regular & Special) | 6,259,869,481 | 5,965,185,784 |
| Judicial | 99,834,087 | 95,134,392 |
| Legislative | 20,392,813 | 19,432,820 |
| Participating Local Districts (Consolidated & Non-Consolidated) | 4,860,437,148 | 4,631,631,804 |
| Total | $ 23,393,004,309 | $ 22,291,777,356 |

## Investment Performance

The Market Value of Assets for the total MainePERS DB assets returned a positive 11.43% during FY 2026. This is greater than the assumed return of 6.50% for FY 2026. The equivalent market value returns for the total MainePERS DB assets for FY 2025 and FY 2024 were positive 9.31% and positive 7.43%, respectively.

On an Actuarial Value of Assets basis, the return for FY 2026 was a positive 9.17% for the total MainePERS DB assets. This return is less than the return on a market value basis but greater than the 6.50% assumption in effect for FY 2026. Therefore, this return gave rise to an investment gain on the total MainePERS DB assets this year.

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# SECTION III — ASSETS

## Cash Flow Projections

In Table III-4 below, we provide a projection of expected cash flows for the next 10 years for informational purposes. The Board may share these projections with its investment advisor for consideration of the gap shown between the cash expected to come into the Program through employer and member contributions and the cash expected to be paid out of the Program to provide benefit payments.

**Table III-4**
**Projection of Legislative Program**

| FY Ending June 30, | Expected Benefit Payments | Expected Employer Contributions | Expected Member Contributions | Total Expected Contributions |
|---|---|---|---|---|
| 2027 | $ 1,321,600 | $0 | $ 424,500 | $ 424,500 |
| 2028 | 859,300 | 0 | 348,900 | 348,900 |
| 2029 | 1,007,100 | 0 | 448,100 | 448,100 |
| 2030 | 992,800 | 0 | 368,400 | 368,400 |
| 2031 | 1,090,700 | 0 | 473,100 | 473,100 |
| 2032 | 1,113,800 | 0 | 388,900 | 388,900 |
| 2033 | 1,182,500 | 0 | 499,500 | 499,500 |
| 2034 | 1,247,300 | 0 | 410,600 | 410,600 |
| 2035 | 1,276,700 | 0 | 527,300 | 527,300 |
| 2036 | 1,276,000 | 0 | 433,400 | 433,400 |

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The expected benefit payments in Table III-4 were developed using the data currently included in this valuation and on the assumption that the actuarial assumptions disclosed in Appendix C will be exactly met. Actual benefit payments will differ as the amount and timing of payments will vary based on individual member experience. These benefit projections exclude any assumption about new Program participants, whose experience will eventually lead to increased benefit payments. However, we do not feel this exclusion will materially impact the projections for the period shown.

Expected employer contributions in this table use the budgeted contributions for FY 2027 through FY 2029 of 0.00%. Future contributions beyond that point are assumed to continue at the FY 2029 rate of 0.00%. The expected member contributions are based on a 2.75% per year assumed increase in covered payroll, multiplied by the current member contribution rate of 7.65% for FY 2027.

# SECTION IV — LIABILITIES

In this section, we present detailed information on Program liabilities, including:

- Disclosure of the Program's liabilities as of June 30, 2025 and June 30, 2026, and
- Statement of changes in these liabilities during the year.

## Disclosure

Several types of liabilities are calculated and presented in this report. Each type is distinguished by the purpose for which the figures are ultimately used. We note that none of the liabilities presented in this report is an appropriate measure of a settlement liability.

- Present Value of Future Benefits (PVB): Used for analyzing the overall financial obligations of the Program, this represents the amount of money needed today to fully fund all future benefits of the Program, assuming no new members, that active members continue to earn salary increases and accrue benefits under their current Program provisions, and that all actuarial assumptions are exactly met, including the 6.50% per year investment return.
- Actuarial Liability (AL): Used for funding calculations and GASB disclosures, this liability is calculated taking the PVB above and subtracting the value of accruals that are assigned to future years on a person-by-person basis. This offset is equal to the present value of future member contributions and future employer normal cost contributions under an acceptable actuarial cost method. For this Program and the other MainePERS DB Programs, the method used is referred to as the Entry Age Normal (EAN) Cost Method, which is the only permitted actuarial cost method for GASB disclosures.
- Present Value of Accrued Benefits (PVAB): Used for communicating the liabilities for benefits accrued as of the valuation date.

Table IV-1 that follows discloses each of these liabilities for the current and prior year's valuations. With respect to the Actuarial Liability and the Present Value of Accrued Benefits, a subtraction of the appropriate value of the Program's assets yields, for each respective type, a net surplus or an unfunded liability. For the PVB measure, it is compared to the Market Value of Assets plus the expected future value of contributions to the Program for current members. The future contributions are calculated assuming the current employer and member rates will be continued for all future years, along with the expected future payroll as of each date. The difference between the PVB and these anticipated resources indicates either an expected shortfall or an expected surplus representing either additional funding required or excess funding, and indicates the size of the Program's stored gains or losses that remain outside of the valuation process currently.

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MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM MAINE LEGISLATIVE RETIREMENT PROGRAM
ACTUARIAL VALUATION AS OF JUNE 30, 2026

# SECTION IV — LIABILITIES

## Table IV-1
## Disclosure of Liabilities

| | June 30, 2025 | June 30, 2026 |
|---|---|---|
| **Present Value of Benefits (PVB)** | | |
| Active Member Benefits | $ 6,499,598 | $ 7,837,925 |
| Retired, Disabled, Survivor, and Beneficiary Benefits | 5,681,046 | 5,538,170 |
| Terminated Vested Benefits | 2,798,105 | 2,829,746 |
| Terminated Nonvested Benefits | 447,388 | 448,701 |
| **Total PVB** | **$ 15,426,137** | **$ 16,654,542** |
| Market Value of Assets (MVA) | $ 18,658,033 | $ 20,392,813 |
| Future Member Contributions | 1,193,763 | 1,417,931 |
| Future Employer Contributions | 0 | 0 |
| Projected (Surplus)/Shortfall | (4,425,659) | (5,156,202) |
| **Total Resources** | **$ 15,426,137** | **$ 16,654,542** |
| **Actuarial Liability (AL)** | | |
| Present Value of Benefits (PVB) | $ 15,426,137 | $ 16,654,542 |
| Present Value of Future Normal Costs (PVFNC) | | |
| Employer Portion | 870,327 | 968,076 |
| Member Portion | 1,193,763 | 1,417,931 |
| **Actuarial Liability (AL = PVB – PVFNC)** | **$ 13,362,047** | **$ 14,268,535** |
| Actuarial Value of Assets (AVA) | 18,160,789 | 19,432,820 |
| **Net (Surplus)/Unfunded (AL – AVA)** | **$ (4,798,742)** | **$ (5,164,285)** |
| **Present Value of Accrued Benefits (PVAB)** | | |
| Present Value of Future Benefits (PVB) | $ 15,426,137 | $ 16,654,542 |
| Present Value of Future Benefit Accruals (PVFBA) | 2,630,829 | 3,076,848 |
| **Accrued Liability (PVAB = PVB – PVFBA)** | **$ 12,795,308** | **$ 13,577,694** |
| Market Value of Assets (MVA) | 18,658,033 | 20,392,813 |
| **Net (Surplus)/Unfunded (PVAB – MVA)** | **$ (5,862,725)** | **$ (6,815,119)** |

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# SECTION IV — LIABILITIES

## Low-Default-Risk Obligation Measure (LDROM)

The System invests in a diversified portfolio with the objective of maximizing investment returns at a reasonable level of risk. A low-risk portfolio for a pension plan would be composed entirely of low-default-risk fixed income securities whose cash flows match the benefit cash flows of the System. Such a portfolio, however, would have a lower expected rate of return than the diversified portfolio. The LDROM represents what the funding liability would be if the System invested its assets in such a portfolio. As of June 30, 2026, we estimate that a portfolio composed only of US Treasury securities would have an expected return of 4.85% compared to the System's discount rate of 6.50%, and the LDROM would be $16.9 million compared to the Actuarial Liability of $14.3 million. The $2.6 million difference represents the expected taxpayer savings from bearing the risk of investing in the diversified portfolio. Alternatively, it also represents the cost of eliminating the investment risk.

If the System were to invest in the LDROM portfolio, the reported funded status would decrease, and contribution requirements would increase. Benefit security for members of the Program relies on a combination of the assets in the System, the investment returns generated on those assets, and the promise of future contributions. If the System were to invest in the LDROM portfolio, it would not change the amount of assets currently in the System, but it would reduce expected future investment returns and increase expected future contributions. However, the range of future investment returns and future contributions needed would narrow significantly.

## Changes in Liabilities

Each of the liabilities disclosed in Table IV-1 is expected to change at each subsequent valuation. The components of these changes, depending upon which liability is analyzed, can include:

- New Program members since the last valuation
- Benefits accrued since the last valuation
- Program amendments changing benefits since the last valuation
- Passage of time, which adds interest to the prior liability
- Benefits paid to members since the last valuation
- Members retiring, terminating, or dying at rates different than expected since the last valuation
- Salaries changing at rates different than expected since the last valuation
- A change in actuarial assumptions since the last valuation
- A change in the actuarial cost method since the last valuation

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# SECTION IV — LIABILITIES

Unfunded liability measurements will change because of all of the above, as well as due to changes in the Program's asset measurements resulting from:

- Contributions being different than expected
- Investment earnings being different than expected
- A change in the method used to measure the Program's assets in developing the unfunded liability measure since the last valuation

In each valuation, we report on those elements of change in the Program's liability measures that are of particular significance, potentially affecting the long-term financial outlook of the Program. In Table IV-2 that follows, we present key changes in the Program's liability measures since the last valuation.

**Table IV-2**

| | Present Value of Future Benefits | Actuarial Liability | Present Value of Accrued Benefits |
|---|---|---|---|
| Liability Measurement – June 30, 2025 | $ 15,426,137 | $ 13,362,047 | $ 12,795,308 |
| Liability Measurement – June 30, 2026 | 16,654,542 | 14,268,535 | 13,577,694 |
| Liability Measurement Increase/ (Decrease) Due to: | $ 1,228,405 | $ 906,488 | $ 782,386 |
| Program Amendment | $ 0 | $ 0 | $ 0 |
| Assumption Change | (26,802) | (598,890) | (669,411) |
| Actuarial (Gain)/Loss | N/C | 665,714 | N/C |
| Benefits Accumulated and Other Sources | $ 1,255,207 | $ 839,664 | $ 1,451,797 |

N/C = Not calculated

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# SECTION V — CONTRIBUTIONS

In this section, we present detailed information on informational employer contribution rates as developed in this June 30, 2026 valuation for the Program, including the development of the employer contribution rate, comprised of the employer normal cost rate and the Unfunded Actuarial Liability (UAL) amortization rate (UAL amortization rate).

Note that these contribution rates are only informational, and the actual contribution rates are set by the budgeting process described in the Board Summary at the beginning of this report.

## Description of Rate Components

For this Program, the funding methodology employed to determine the employer contribution rates is the Entry Age Normal (EAN) Cost Method. Under this method, there are two components to the total employer contribution rate: the employer's normal cost rate (NC rate) and the UAL amortization rate (UAL amortization rate).

An individual EAN cost rate is determined for each active member. The normal cost is determined by the following steps. First, an individual normal cost rate for each member is determined by taking the value of their projected future benefits, as of entry age into the Program. Second, this value is then divided by the value, also at entry age, of the member's expected future salary. Finally, the resulting total normal cost rate is reduced by the member contribution rate to produce the employer's normal cost rate for the member. These rates are then multiplied by each member's salary as of the valuation date and added together to get the total employer normal cost dollars as of the valuation date for the Program, which is then divided by the total payroll at the valuation date for the Program to get the employer normal cost rate for the Program.

The Unfunded Actuarial Liability under the EAN cost method equals the present value, at the time of valuation, of the future benefit payments less the present value of future employer normal cost contributions, future member contributions, and current assets. The UAL amortization rate is the percentage that, when applied to member payroll, which is assumed to increase 2.75% per year, is expected to amortize the UAL according to the Program's amortization policy, which is an open 10-year period for this Program.

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# SECTION V — CONTRIBUTIONS

## Contribution Calculations

Table V-1 below presents and compares the total employer contribution rate, as well as its two components, for the Program as developed in this valuation and the prior one.

**Table V-1**
**Legislative Total Employer Rate**

| Valuation Date | June 30, 2025 | June 30, 2026 |
|---|---|---|
| Employer NC Rate | 5.74% | 4.99% |
| UAL Amortization Rate | (12.42)% | (11.23)% |
| Total Employer Rate | (6.68)% | (6.24)% |

*Total Employer Rate is limited to 0% for actual contributions.*

The rates developed in this section are for informational purposes only. Actual budgeted rates are set based on the ratemaking process described in the Board Summary section.

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# SECTION VI — FINANCIAL DISCLOSURE INFORMATION

This section contains financial disclosure information regarding the Program developed under a number of accounting standards and guidance.

First, for informational purposes, we show the Program's funded status under the Financial Accounting Standards Board (FASB) ASC 960, which discloses how the Market Value of Assets would compare to accrued liabilities if contributions were to stop and accrued benefit claims had to be satisfied as of the valuation date. However, due to potential legal requirements and the possibility that alternative interest rates would have to be used to determine the liabilities, these values may not be a good indication of the amount of money it would take to buy the benefits for all members if all provisions of the Program were to terminate. We have prepared the following exhibit in this section based on FASB ASC 960:

- Table VI-1: Accrued Benefits Information

The Governmental Accounting Standards Board (GASB) Statement Nos. 67 and 68 establish standards for disclosure of pension information by public employee retirement systems (PERS) and governmental employers in financial statements, notes to financial statements, and supplementary information. We have prepared the following exhibits reflecting provisions of GASB Statement Nos. 67 and 68:

- Table VI-2: Schedule of Changes in Net Pension Liability and Related Ratios
- Table VI-3: Sensitivity of Net Pension Liability to Changes in Discount Rate
- Table VI-4: Schedule of Employer Contributions
- Table VI-5: Average Expected Remaining Service Lives

A summary of the terminology used in GASB Statement Nos. 67 and 68 are provided in Appendix D of this report. Note that while much of the information provided in this report under GASB No. 67 is also utilized in GASB No. 68, Table VI-5 included in this section is only applicable to GASB No. 68.

Finally, we have also developed disclosure information in this section based on additional guidance relating to the Annual Comprehensive Financial Reports (ACFR) of PERS provided by the Government Finance Officers Association (GFOA) in their publication, Governmental Accounting, Auditing, and Financial Reporting (GAAFR). We have prepared the following exhibits reflecting guidance in the GAAFR:

- Table VI-6: Analysis of Financial Experience
- Table VI-7: Schedule of Funded Liabilities by Type

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# SECTION VI — FINANCIAL DISCLOSURE INFORMATION

The Present Value of Accrued Benefits, the Total Pension Liability (GASB 67/68), and the Actuarial Liability (GAAFR) disclosures in this section are all determined assuming that the Program is ongoing and participants continue to terminate employment, retire, etc., in accordance with the actuarial assumptions. Liabilities as of June 30, 2026 are discounted at the assumed valuation interest rate of 6.50% per annum in all of these disclosures.

Table VI-1 below includes the relevant amounts as of June 30, 2025 and June 30, 2026 as well as a reconciliation between the two dates under FASB ASC 960.

**Table VI-1**
**Accrued Benefits Information**

| | June 30, 2025 | June 30, 2026 |
|---|---|---|
| **FASB ASC 960 Basis** | | |
| 1. Present Value of Benefits Accrued to Date (PVAB) | | |
| a. Members Currently Receiving Payments | $ 5,681,046 | $ 5,538,170 |
| b. Terminated Vested Members | 2,798,105 | 2,829,746 |
| c. Terminated Nonvested Members | 447,388 | 448,701 |
| d. Active Members | 3,868,769 | 4,761,077 |
| e. Total PVAB | $ 12,795,308 | $ 13,577,694 |
| 2. Market Value of Assets (MVA) | 18,658,033 | 20,392,813 |
| 3. Unfunded Present Value of Accrued Benefits, but not less than Zero | $ 0 | $ 0 |
| 4. Ratio of MVA to PVAB (2)/(1) | 145.8% | 150.2% |
| **Change in Present Value of Benefits Accrued to Date during FY 2026** | | |
| Increase/(Decrease) during Year Attributable to: | | |
| Passage of Time | | $ 810,832 |
| Benefits Paid | | (652,218) |
| Assumption Changes | | (669,411) |
| Program Changes | | 0 |
| Benefits Accrued, Other Gains/Losses | | 1,293,183 |
| Net Increase (Decrease) | | $ 782,386 |

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# SECTION VI — FINANCIAL DISCLOSURE INFORMATION

Table VI-2 that follows shows the changes in the Total Pension Liability (TPL), the Program's Fiduciary Net Position (FNP) (i.e., fair value of the Program's net assets), and the Net Pension Liability (NPL) during the measurement year ending June 30, 2026, as well as related ratios calculated under the provisions of GASB Statement No. 67 for the Program.

As of the June 30, 2026 valuation, the Fiduciary Net Position for this Program was projected to be available to make all projected future benefit payments for current Program members. As such, the long-term expected rate of return on the Program's investments was applied to all periods of projected benefit payments in determining the Total Pension Liability under GASB Nos. 67 and 68. The projection of cash flows used to determine the discount rate assumes that member contributions will be made at the current contribution rate, and the employer contributions will be made according to the actuarial calculations developed in the biennial ratemaking process.

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# SECTION VI — FINANCIAL DISCLOSURE INFORMATION

**Table VI-2**
**Schedule of Changes in Net Pension Liability and Related Ratios FY 2026**

| | | |
|---|---|---|
| **Total Pension Liability (TPL)** | | |
| Service Cost (SC) | $ | 624,244 |
| Interest (includes Interest on SC) | | 867,638 |
| Changes of Benefit Terms | | 0 |
| Differences Between Actual and Expected Experience | | 665,714 |
| Changes of Assumptions | | (598,890) |
| Benefit Payments, including Refunds of Member Contributions | | (652,218) |
| Net Change in TPL | $ | 906,488 |
| **Beginning of Year (BOY) TPL** | | **13,362,047** |
| **End of Year (EOY) TPL** | | **$ 14,268,535** |
| **Program Fiduciary Net Position (FNP)** | | |
| Employer Contributions | $ | 0 |
| Member Contributions | | 278,994 |
| Transfers | | 0 |
| Net Investment Income | | 2,126,042 |
| Benefit Payments, including Refunds of Member Contributions | | (652,218) |
| Administrative Expense | | (18,038) |
| Net Change in FNP | $ | 1,734,780 |
| **BOY FNP** | | **18,658,033** |
| **EOY FNP** | | **$ 20,392,813** |
| **EOY Net Pension Liability (NPL)** | | **$ (6,124,278)** |
| FNP as a Percentage of TPL | | 142.9% |
| Covered Payroll (for FY 2026) | $ | 5,548,500 |
| NPL as a Percentage of Covered Payroll | | (110.4)% |

## Notes to Schedule of Changes in Net Pension Liability and Related Ratios

None.

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# SECTION VI — FINANCIAL DISCLOSURE INFORMATION

A 10-year schedule of changes in NPL and related ratios is to be included within the ACFR for PERS. We have shown only the current year of this Schedule of Changes in Net Pension Liability and Related Ratios above and believe that you can accumulate the individual years in the MainePERS ACFRs to show the full 10-year schedule. Notes to this schedule should be included for any factors significantly impacting the trends reported within the period shown in this schedule at that time. As of June 30, 2026, we have not included suggested information for such a note in the Notes to Schedule of Changes in Net Pension Liability and Related Ratios above. However, it is our expectation that the System's staff will make the final determination regarding any notes needed for this schedule, and we are available to provide any information they may need for this purpose.

Table VI-3 below illustrates the sensitivity of the Net Pension Liability (NPL) to the discount rate. Changes in the discount rate affect the measurement of the Total Pension Liability (TPL) for the Program. Lower discount rates produce a higher TPL, and higher discount rates produce a lower TPL. Because the discount rate does not affect the measurement of assets, the percentage change in the Net Pension Liability (NPL) can be very significant for relatively small changes in the discount rate.

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# SECTION VI — FINANCIAL DISCLOSURE INFORMATION

**Table VI-3**
**Sensitivity of Net Pension Liability to Changes in Discount Rate**
**FY 2026**

| | 1% Decrease 5.50% | Discount Rate 6.50% | 1% Increase 7.50% |
|---|---|---|---|
| Total Pension Liability (TPL) | $ 15,826,398 | $ 14,268,535 | $ 12,966,000 |
| Program Fiduciary Net Position (FNP) | 20,392,813 | 20,392,813 | 20,392,813 |
| Net Pension Liability (NPL) | $ (4,566,415) | $ (6,124,278) | $ (7,426,813) |
| FNP as a Percentage of TPL | 128.9% | 142.9% | 157.3% |

A one percent decrease in the discount rate increases the TPL by approximately 11% and increases the NPL by approximately 25%. A one percent increase in the discount rate decreases the TPL by approximately 9% and decreases the NPL by approximately 21%.

Table VI-4 that follows provides information relating to the employer contributions for the Program. Under GASB Statement No. 67, if an Actuarially Determined Contribution (ADC) or a contractually or statutorily required contribution (CRC) is developed for a single employer or cost-sharing plan, the following schedule is required. For purposes of this schedule, an ADC is a contribution amount determined in accordance with Actuarial Standards of Practice, and a CRC is based on statutory or contractual requirements. Both should exclude any amounts to finance specific liabilities of individual employers of the Program. If an ADC is available, the Schedule of Employer Contributions should be developed on that basis. If there is no ADC, but there is a CRC, the schedule should be developed on that basis. Only if neither an ADC nor a CRC is developed can this schedule be omitted from the MainePERS's ACFR.

The Program's rates set in the ratemaking process meet the definition of an ADC, so for this Program, this schedule should be developed on that basis. Based on GASB guidance, a full 10 years of information should be shown in this schedule. We have shown only the current year of this Schedule of Employer Contributions below and believe that you can accumulate these in the MainePERS ACFR to show the full 10-year schedule.

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# SECTION VI — FINANCIAL DISCLOSURE INFORMATION

Only the current year of the Notes to Schedule of Employer Contributions below needs to be included in the notes to this schedule. However, any factors that significantly affect trends in the Schedule of Employer Contributions at any point in the 10-year period should also be included in the notes to this schedule. As of June 30, 2026, we have not included such a note in the Notes to Schedule of Employer Contributions below. However, it is our expectation that the System's staff will make the final determination regarding any notes needed for this schedule, and we are available to provide any additional information that they may need for this purpose.

**Table VI-4**
**Schedule of Employer Contributions**
**FY 2026**

| | |
|---|---|
| Actuarially Determined Contribution (ADC) | $ 0 |
| Contributions in Relation to the ADC | 0 |
| Contribution Deficiency/(Excess) | $ 0 |
| Covered Payroll (Payroll) (for FY 2026) | $ 5,548,500 |
| Contributions as a Percentage of Payroll | 0.00% |

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## NOTES TO SCHEDULE OF EMPLOYER CONTRIBUTIONS

Valuation Date: June 30, 2023

Timing: June 30, 2026, ADC rates are calculated based on 2024 liabilities developed as a roll-forward of the 2023 valuation liability, adjusted for expected experience, and any assumption or methodology changes during FY 2024 using preliminary assets as of June 30, 2024.

## KEY METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES

**Actuarial Cost Method:** Entry Age Normal

**Asset Valuation Method:** Three-year smoothed market

**Amortization Method:** Level percentage of payroll, open 10-year amortization

# SECTION VI — FINANCIAL DISCLOSURE INFORMATION

**Discount Rate:** 6.50%

**Amortization Growth Rate:** 2.75%

**Price Inflation:** 2.75%

**Salary Increases:** 2.75%

**Mortality:**

Healthy Retirees: 112.1% and 118.5% of the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, respectively, for males and females.

Active Lives: 83.5% and 88.6% of the 2010 Public Plan General Benefits-Weighted Employee Mortality Table, respectively, for males and females.

Disabled Annuitants: 107.3% and 103.2% of the 2010 Public Plan Non-Safety Benefits-Weighted Disabled Retiree Mortality Tables, respectively, for males and females.

All tables projected generationally from the 2010 base rates using the RPEC_2020 model with an ultimate rate of 1.00% for ages 80 and under, grading down to 0.05% at age 95, and further grading down to 0.00% at age 115, along with convergence to the ultimate rates in the year 2027.

A complete description of the methods and assumptions used to determine contribution rates for the year ending June 30, 2026 can be found in the June 30, 2024 Actuarial Valuation Report.

**OTHER INFORMATION**

None.

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# SECTION VI — FINANCIAL DISCLOSURE INFORMATION

Table VI-5 that follows is provided in this report at the request of MainePERS staff, showing the development of the average remaining service life for the Program. GASB Statement No. 68 requires some items be recognized by employers into pension expense over a period "equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan (active employees and inactive employees) determined as of the beginning of the measurement period." For the current measurement year ending on June 30, 2026, these values are thus developed as of June 30, 2025. Note that the decision was made to use these averages based on rounding to the nearest whole year, so the values are thus shown as such.

**Table VI-5**
**Average Expected Remaining Service Lives**
**For Measurement Year Ending June 30, 2026**

| Status | Total Expected Future Service | Count | Average Remaining Service Lives |
|---|---|---|---|
| Actives | 685 | 182 | 4 |
| In-Pay Members | 0 | 234 | 0 |
| Terminated Vested Members | 0 | 136 | 0 |
| Inactives Due Refunds | 0 | 96 | 0 |
| Total Membership | 685 | 648 | 1 |

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Table VI-6 below is a gain/loss analysis of the changes in the Actuarial Liability over the past six years, reflecting variances between actual experience and assumed experience for different kinds of risk as specified in the GFOA GAAFR.

**Table VI-6**
**Analysis of Financial Experience**
**Gain and Loss in Actuarial Liability During Fiscal Years Ended June 30**
**Resulting from Differences Between Assumed Experience and Actual Experience**

| Type of Activity | Gain (or Loss) For Fiscal Year Ended June 30, 2021 | Gain (or Loss) For Fiscal Year Ended June 30, 2022 | Gain (or Loss) For Fiscal Year Ended June 30, 2023 | Gain (or Loss) For Fiscal Year Ended June 30, 2024 | Gain (or Loss) For Fiscal Year Ended June 30, 2025 | Gain (or Loss) For Fiscal Year Ended June 30, 2026 |
|---|---|---|---|---|---|---|
| Investment Income | $ 796,071 | $ 187,103 | $ 100,695 | $ 122,634 | $ 244,041 | $ 476,742 |
| Combined Liability Experience | (180,989) | 199,354 | (64,885) | 305,190 | (1,440,285) | (665,714) |
| Gain (or Loss) during Year from Financial Experience | 615,082 | 386,457 | 35,810 | 427,824 | (1,196,244) | (188,972) |
| Non-Recurring Items | (374,000) | (43,111) | 0 | 0 | 0 | 598,890 |
| Composite Gain (or Loss) During Year | **$ 241,082** | **$ 343,346** | **$ 35,810** | **$ 427,824** | **$ (1,196,244)** | **$ 409,918** |

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# SECTION VI — FINANCIAL DISCLOSURE INFORMATION

Table VI-7 below compares the Program's assets as of each valuation date shown to the Program's Actuarial Liability, divided into three separate groups: liabilities for contributions on deposit for current active members, liabilities for future benefits for inactive members, and employer-financed liabilities for current active members. This Schedule of Funded Liabilities by Type is used to assess funding progress based on what percentage of the liabilities for each of these groups the Program's assets are sufficient to cover. The Reported Assets are measured at actuarial value. Results would be different if market value were used. Per GFOA guidance, this schedule is to include this assessment for the 10 most recent years, and notes to this schedule should be provided to explain any factors that affect the comparability of the data. We do not believe such a note is needed for the measurement year ending June 30, 2026, but it is our expectation that the System's staff will make the final determination regarding any notes needed for this schedule.

**Table VI-7**
**Schedule of Funded Liabilities by Type**

| Valuation Date June 30, | Aggregate Actuarial Liabilities for: (1) Active Member Contributions | (2) Retirees, Vested Terms, Beneficiaries | (3) Active Members (Employer Financed Portion) | Reported Assets | Portion of Actuarial Liabilities Covered by Reported Assets (1) | (2) | (3) |
|---|---|---|---|---|---|---|---|
| 2026 | $ 3,565,977 | $ 8,816,617 | $ 1,885,941 | $ 19,432,820 | 100% | 100% | 100% |
| 2025 | 3,334,576 | 8,926,539 | 1,100,932 | 18,160,789 | 100 | 100 | 100 |
| 2024 | 3,201,108 | 8,462,955 | (93,002) | 17,185,176 | 100 | 100 | 100 |
| 2023 | 3,270,110 | 8,565,507 | (429,440) | 16,478,192 | 100 | 100 | 100 |
| 2022 | 3,140,712 | 7,923,374 | (86,804) | 15,787,715 | 100 | 100 | 100 |
| 2021 | 3,039,312 | 7,836,190 | (197,031) | 15,049,435 | 100 | 100 | 100 |
| 2020 | 3,039,660 | 6,844,699 | (155,670) | 13,679,070 | 100 | 100 | 100 |
| 2019 | 2,667,308 | 6,903,616 | (504,160) | 13,092,938 | 100 | 100 | 100 |
| 2018 | 2,591,378 | 6,277,075 | (308,503) | 12,523,131 | 100 | 100 | 100 |
| 2017 | 2,516,620 | 6,172,223 | (525,533) | 11,908,009 | 100 | 100 | 100 |

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MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM MAINE LEGISLATIVE RETIREMENT PROGRAM
ACTUARIAL VALUATION AS OF JUNE 30, 2026

# APPENDIX A — MEMBERSHIP INFORMATION

## Active Member Data as of June 30, 2026

| | |
|---|---|
| Count | 181 |
| Average Current Age | 58.5 |
| Average Benefit Service | 6.0 |
| Average Vesting Service | 6.8 |
| Average Valuation Pay | $30,655 |

## Non-Active Member Data as of June 30, 2026

| | Count | Average Age | Total Annual Benefit | Average Annual Benefit |
|---|---|---|---|---|
| Retired | 188 | 78.5 | $ 471,958 | $ 2,510 |
| Retired – Concurrent Beneficiary | 8 | 70.2 | 3,312 | 414 |
| Disability | 2 | 71.4 | 18,005 | 9,003 |
| Beneficiary of Above | 23 | 83.5 | 42,813 | 1,861 |
| Pre-Retirement Death Beneficiary | 10 | 77.4 | 79,267 | 7,927 |
| Terminated Vested | 132 | 57.9 | 302,326 | 2,290 |
| Inactive Due Refund | 91 | NA | NA | NA |

| | Active Members | Retired Members | Beneficiaries of Retired Members | Survivors of Deceased Members | Disabled Members | Deferred Vested Members |
|---|---|---|---|---|---|---|
| **As of June 30, 2025** | **182** | **191** | **31** | **10** | **2** | **136** |
| New hires | 1 | | | | | |
| Rehires | 0 | 0 | | | | 0 |
| Movement between plans | 0 | | | | | |
| New retirees | 0 | 3 | | | | (3) |
| New beneficiaries due to retirements | | | 0 | | | |
| New deferred vested members | (2) | | | | | 3 |
| Non-vested terminations | 0 | | | | | |
| Refunds | 0 | | | | | (3) |
| Deaths, no future benefits | 0 | (5) | (1) | 0 | | (1) |
| Deaths with a survivor or beneficiary | 0 | (1) | 1 | 0 | | |
| Benefits expired | | | | | | |
| Data correction | 0 | 0 | 0 | 0 | 0 | 0 |
| **As of June 30, 2026** | **181** | **188** | **31** | **10** | **2** | **132** |

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# APPENDIX A — MEMBERSHIP INFORMATION

Former disabled retirees who have changed to service retirement as mandated by the Plan are still included as disabled members. Deferred vested members include those indicated to us in the data who have terminated and are eligible for a future annuity.

In preparing this report, we relied on data provided by MainePERS as modified following the procedures outlined in the State of Maine Data Processing Notebook. Adjustments to the data are made based on this Processing Notebook. Accuracy of the results is dependent on the completeness of the underlying information. The plan sponsor is responsible for the validity and completeness of the information provided. We believe the data provided, as modified as documented in the Processing Notebook, is sufficient for the actuarial analysis performed.

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# APPENDIX B — SUMMARY OF PROGRAM PROVISIONS

## 1. Membership

Except as provided by statute, membership is mandatory for every legislator in service in the Legislature on or after December 3, 1986, and optional for those who were members of the Retirement System on December 2, 1986.

Membership ceases on the earlier of withdrawal of contributions, retirement, or death.

## 2. Member Contributions

Members are required to contribute 7.65% of earnable compensation. Member contributions earn annual interest at the rate adopted by the Board of Trustees each February.

## 3. Average Final Compensation

For purposes of determining benefits payable, average final compensation is the average annual rate of earnable compensation for the three years of creditable service (not necessarily consecutive) that produce the highest such average.

## 4. Creditable Service

Creditable service includes the following:

A. All legislative service as a member after December 2, 1986,
B. All legislative service before December 3, 1986, for which contributions have been made to the Retirement System at the applicable rate, including appropriate interest,
C. Service credited while receiving disability benefits under the Program, and
D. All service creditable under the Retirement System as a State Employee provided the member elects to have the member's and the employer's contributions on behalf of such service transferred to the Legislative Program.

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# APPENDIX B — SUMMARY OF PROGRAM PROVISIONS

## 5. Service Retirement Benefits

**ELIGIBILITY:**

**A. Eligibility for Members with at Least 10 Years of Creditable Service on July 1, 1993**

i. Eligibility for members in active service and inactive members:

25  ears of creditable service.

ii. Eligibility alternative for members in active service:

Attainment of age 60.

iii. Eligibility for members not in active service at retirement, and not in active service on or after October 1, 1999:

Attainment of age 60 and 10 years of creditable service.

iv. Eligibility for members not in active service at retirement, but in active service on or after October 1, 1999:

Attainment of age 60 and five years of creditable service.

**B. Eligibility for Members with Less Than 10 Years of Creditable Service on July 1, 1993**

i. Eligibility for members in active service and inactive members:

25 years of creditable service.

ii. Eligibility alternative for members in active service:

Attainment of age 62.

iii. Eligibility for members not in active service at retirement, and not in active service on or after October 1, 1999:

Attainment of age 62 with 10 years of creditable service.

iv. Eligibility for members not in active service at retirement, but in active service on or after October 1, 1999:

Attainment of age 62 and five years of creditable service.

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# APPENDIX B — SUMMARY OF PROGRAM PROVISIONS

## C. Eligibility for Members with Less Than Five Years of Creditable Service on July 1, 2011

i. Eligibility for members in active service and inactive members:

25 years of creditable service.

ii. Eligibility alternative for members in active service:

Attainment of age 65.

iii. Eligibility for members not in active service at retirement, and not in active service on or after October 1, 1999:

Attainment of age 65 with 10 years of creditable service.

iv. Eligibility for members not in active service at retirement, but in active service on or after October 1, 1999:

Attainment of age 65 and five years of creditable service.

Benefit: 1/50 of average final compensation multiplied by years of creditable service.

The benefit is reduced for retirement before age 60 at the approximate rates listed in the table below, for members with at least 10 years of creditable service on July 1, 1993.

| Age | Reduction | Age | Reduction |
|---|---|---|---|
| 45 | 29.3% | 53 | 16.6% |
| 46 | 28.0 | 54 | 14.6 |
| 47 | 26.6 | 55 | 12.5 |
| 48 | 25.2 | 56 | 10.3 |
| 49 | 23.6 | 57 | 7.9 |
| 50 | 22.0 | 58 | 5.4 |
| 51 | 20.3 | 59 | 2.8 |
| 52 | 18.5 | 60 | 0.0 |

The benefit is reduced for retirement before age 62 by 6% for each year the member's age is less than age 62, if less than 10 years creditable service on July 1, 1993, but at least five years creditable service on July 1, 2011.

The benefit is reduced for retirement before age 65 by 6% for each year the member's age is less than age 65, if less than five years of creditable service on July 1, 2011.

Minimum benefit $100 per month if at least 10 years of creditable service.

Form of Payment: Life annuity.

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# APPENDIX B — SUMMARY OF PROGRAM PROVISIONS

## 6. Disability Retirement Benefits Other Than No-Age Benefits (See Item 7)

Eligibility: Disabled as defined in the Legislative Retirement Program statutes prior to normal retirement age, employed prior to October 16, 1992 and did not elect the No-Age Disability Benefits, and either disabled in the line of duty or disabled with at least five years of creditable service.

Benefit: 66⅔% of average final compensation, reduced by employment earnings over the specified statutory limit, and to the extent that the benefit, in combination with Workers' Compensation and Social Security, exceeds 80% of average final compensation.

Form of Payment: Payment begins upon the termination of service and ceases on cessation of disability or after two years, unless the member is unable to engage in any substantially gainful activity, in which case payments cease on the earlier of 10 years following normal retirement age or the date that the service retirement benefit equals or exceeds the disability benefit.

Conversion to Service Retirement: During the period of disability, service is credited, and average final compensation is increased at the same rate as any cost-of-living adjustments for which the member is eligible (not subject to the COLA Cap) (see item 12). On the date when service benefits reach a level of 66⅔% of average final compensation or 10 years after the normal retirement date if earlier, the disability converts to a service retirement benefit based on service and average final compensation at that time.

## 7. No-Age Disability Retirement Benefits

Eligibility: Disabled as defined in the Legislative Retirement Program statutes, employed on or after October 16, 1992 or employed prior to October 16, 1992 and elected the provisions of No-Age Disability, and either disabled in the line of duty or disabled with at least five years of creditable service.

Benefit: 59% of average final compensation, reduced by employment earnings over the specified statutory limit, and to the extent that the benefit, in combination with Workers' Compensation and Social Security, exceeds 80% of average final compensation.

Form of Payment: Payment begins upon the termination of service and ceases on cessation of disability or after two years, unless the member is unable to engage in any substantially gainful activity, in which case payments cease on the date the service retirement benefit equals or exceeds the disability benefit.

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# APPENDIX B — SUMMARY OF PROGRAM PROVISIONS

Conversion to Service Retirement: During the period of disability, service is credited, and average final compensation is increased at the same rate as any cost-of-living adjustments for which the member is eligible (not subject to the COLA Cap) (see item 12). On the date when service benefits reach a level of 59% of average final compensation, the disability benefit converts to a service retirement benefit based on service and average final compensation at that time.

## 8. Pre-Retirement Ordinary Death Benefits

Eligibility: Death while active, inactive eligible to retire, or disabled not resulting from an injury received in the line of duty.

Benefit: Designated beneficiary, spouse, children, or parents entitled to benefit calculated as if the deceased member had retired under Option 2 (see item 13); however, the beneficiary may elect survivor benefits payable to a surviving spouse, dependent children, parent, or other designated beneficiaries in monthly amounts varying by the status of beneficiary and number of eligible survivors. Otherwise, accumulated contributions with interest are payable to the designated beneficiary, spouse, children, older parents, or estate.

## 9. Pre-Retirement Accidental Death Benefits

Eligibility: Death while active or disabled resulting from an injury received in the line of duty.

Benefit:

- If the member leaves no dependent children, two-thirds of the member's average final compensation to the surviving spouse until death.
- If the member is survived by a spouse who has the care of dependent children of the member, the surviving spouse shall receive an annual sum equal to the member's average final compensation while having the care of dependent children. When there are no longer any dependent children, the surviving spouse shall receive two-thirds of the member's average final compensation until death.
- If the member is survived by a spouse who does not have the care of the member's dependent children, the surviving spouse and dependent children shall share equally an annual sum equal to the member's average final compensation. When there are no longer any dependent children, the surviving spouse shall receive two-thirds of the member's average final compensation until death.
- If the member leaves no spouse, the dependent children shall share an annual amount equal to the member's average final compensation. Benefits will cease when the last dependent child no longer meets the definition of "dependent child."

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# APPENDIX B — SUMMARY OF PROGRAM PROVISIONS

## 10. Termination Benefit

Eligibility: Termination of service other than by retirement or death with at least five years of creditable service.

Benefit: The member's choice of a refund of the accumulated contributions with interest or a retirement benefit using creditable service and average final compensation as of the date of termination, deferred to normal retirement age.

## 11. Refund of Contributions

Eligibility: Termination of service other than by retirement or death with less than five years of creditable service.

Benefit: Refund of member's accumulated contributions with interest.

## 12. Cost-of-Living Adjustments (COLA)

All service and disability retirement and survivor benefits are adjusted each year that there is a percentage change in the Consumer Price Index (CPI), based on the Index. If the percentage change is negative, then no adjustment is made in that year. In subsequent years, the adjustment that would have been made will be adjusted downward to the extent necessary to recoup the full actuarial value of not having made the previous year's negative adjustment. This process of adjustment may occur over a multi-year period if needed to recoup the full value of negative changes in the Index.

Cost-of-living adjustments (COLA) are effective September 1 of each year and are applied to that portion of the benefit that is not in excess of a COLA Base whose value grows annually with the same adjustment as the COLA (see values below) for all benefits that have been in payment for at least 12 months as of that date. The maximum annual increase, or COLA Cap, is three percent. Average final compensation used in determining disability benefits for disabled members is similarly adjusted for purposes of determining the recipient's service retirement benefit if and when the recipient moves to service retirement.

COLA Base History: (value as of September 1 of listed year when COLA effective):

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# APPENDIX B — SUMMARY OF PROGRAM PROVISIONS

| Year | Cola Base | Year | Cola Base |
|---|---|---|---|
| 2014 | $20,000.00 | 2021 | $22,947.11 |
| 2015 | $20,420.00 | 2022 | $24,186.25 |
| 2016 | $20,940.71 | 2023 | $24,911.84 |
| 2017 | $21,474.70 | 2024 | $25,659.20 |
| 2018 | $21,818.30 | 2025 | $26,428.98 |
| 2019 | $22,451.03 | 2026 | $27,142.56 |
| 2020 | $22,810.25 | | |

Special legislation was passed in 2022 to pay an additional one percent COLA above the maximum COLA Cap of three percent. In addition, the COLA Base was increased by the full CPI change of 5.4%.

Members who did not have 10 years of service on July 1, 1993 will begin receiving the cost-of-living adjustments at the later of 12 months after their normal retirement age and the first September 1 following a minimum of 12 months of being in receipt of their benefit.

An ad-hoc 3% non-cumulative COLA was paid in November 2023 to eligible in-pay participants. This payment had no effect on future benefits payable.

## 13. Methods of Payment of Service Retirement Benefits

At retirement, a member who retires with a benefit must choose from the following methods of payment:

Full Benefit: Unadjusted benefit paid for the life of the member only.

Option 1: Cash refund equal to the remaining member contribution balance, if any, at the date of death (where the member contribution balance has been reduced each month by the portion of the monthly benefit deemed to be provided by member contributions).

Option 2: 100% joint and survivor annuity.

Option 3: 50% joint and survivor annuity.

Option 4: Joint and survivor annuity at any percentage other than those available under Option 2 and Option 3.

Option 5: Designated percentage of the benefit (not less than 51%) payable to the member, with the remaining percentage (the two to equal 100%) payable to a beneficiary (may only be a sole beneficiary) while both are alive. At the death of either, the higher of the two percentages is paid to the survivor for the survivor's life, and the lower-percentage benefit ceases to be paid.

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# APPENDIX B — SUMMARY OF PROGRAM PROVISIONS

Option 6: 100% joint and survivor annuity (Option 2) with pop-up*.

Option 7: 50% joint and survivor annuity (Option 3) with pop-up*.

Option 8: Option 4 with pop-up*.

* The "pop-up" feature attached to a given Option means that in the case of a beneficiary predeceasing the member, the member's benefit will be revised prospectively to the amount that the benefit would have been had the member selected Full Benefit payment upon retirement.

## 14. Program Changes Since Last Valuation

None.

This Appendix B is intended to be a brief summary of provisions. In the event of a dispute, applicable statutes and administrative policy supersede this report description.

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# APPENDIX C — ACTUARIAL ASSUMPTIONS AND METHODS

## A. Actuarial Assumptions

### 1. Annual Rate of Investment Return

| | |
|---|---|
| Legislative | 6.50% |

Rate is net of both administrative and investment expense.

### 2. LDROM Discount Rate

| | |
|---|---|
| Legislative | 4.85% |

### 3. Cost-of-Living Adjustment (COLA) Assumed Rate

| | |
|---|---|
| Legislative | 2.20% |

### 4. Annual Rate of Individual Salary Increase

| | |
|---|---|
| Legislative | 2.75% |

### 5. Sample Rates of Termination (% at Selected Years of Service)

| Service | Assumption |
|---|---|
| 0 | 0% |
| 1 | 0 |
| 2 | 12 |
| 3 | 15 |
| 4 | 20 |
| 5 | 25 |
| 6 | 15 |
| 7 | 25 |
| 8 | 60 |
| 9+ | 50 |

The rates shown are only applicable in the fiscal years ending in odd years, while zero terminations are assumed in the fiscal years ending in even years.

Non-vested members are assumed to take a refund of contributions with interest. Once vested, the member is assumed to elect the greater of the deferred vested benefit or a refund of member contributions with interest based on present value at the time of termination.

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# APPENDIX C — ACTUARIAL ASSUMPTIONS AND METHODS

## 6. Sample Rates of Mortality for Healthy Annuitant Lives at Selected Ages (number of deaths per 10,000 members)

| | Showing values in 2026 | |
|---|---|---|
| Age | Male | Female |
| 50 | 32 | 28 |
| 55 | 46 | 34 |
| 60 | 70 | 45 |
| 65 | 100 | 63 |
| 70 | 151 | 105 |
| 75 | 262 | 195 |
| 80 | 486 | 375 |
| 85 | 899 | 733 |
| 90 | 1,651 | 1,342 |
| 95 | 2,685 | 2,208 |

Rates are based on 112.7% and 117.3% of the 2016 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, respectively, for males and females. The rates are projected generationally using the published IRS-Adjusted MP-2021 scale.

## 7. Sample Rates of Mortality for Active Lives at Selected Ages (number of deaths per 10,000 members)*

| | Showing values in 2026 | |
|---|---|---|
| Age | Male | Female |
| 20 | 4 | 1 |
| 25 | 5 | 1 |
| 30 | 7 | 2 |
| 35 | 8 | 3 |
| 40 | 11 | 5 |
| 45 | 14 | 6 |
| 50 | 18 | 9 |
| 55 | 26 | 13 |
| 60 | 41 | 21 |
| 65 | 59 | 31 |

*5% of deaths assumed to arise out of and in the course of employment.*

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# APPENDIX C — ACTUARIAL ASSUMPTIONS AND METHODS

Rates are based on 119.9% and 101.0% of the 2016 Public Plan General Benefits-Weighted Employee Mortality Table, respectively, for males and females. These rates are generationally projected using the same version of the MP-2021 scale as described in the healthy annuitant mortality.

### 8. Sample Rates of Mortality for Disabled Annuitant Lives at Selected Ages (number of deaths per 10,000 members)

| | Showing values in 2026 | |
|---|---|---|
| Age | Male | Female |
| 25 | 42 | 13 |
| 30 | 40 | 22 |
| 35 | 44 | 34 |
| 40 | 56 | 47 |
| 45 | 75 | 62 |
| 50 | 99 | 89 |
| 55 | 146 | 137 |
| 60 | 229 | 217 |
| 65 | 275 | 235 |
| 70 | 315 | 273 |

Rates are based on 114.5% and 127.7% of the 2016 Public Plan Non-Safety Benefits-Weighted Disabled Retiree Mortality Table, respectively, for males and females. These rates are generationally projected using the same version of the MP-2021 scale described in the healthy annuitant mortality.

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# APPENDIX C — ACTUARIAL ASSUMPTIONS AND METHODS

## 9. Sample Rates of Mortality for Contingent Survivor Lives at Selected Ages (number of deaths per 10,000 members)

| | Showing values in 2026 | |
|---|---|---|
| Age | Male | Female |
| 45 | 57 | 27 |
| 50 | 75 | 30 |
| 55 | 84 | 43 |
| 60 | 103 | 64 |
| 65 | 130 | 91 |
| 70 | 180 | 135 |
| 75 | 293 | 216 |
| 80 | 520 | 377 |
| 85 | 915 | 691 |
| 90 | 1,601 | 1,251 |

Rates are based on 98.8% and 110.6% of the 2016 Public Plan Contingent Survivor Mortality Table, respectively, for males and females. These rates are generationally projected using the same version of the MP-2021 model as described in the healthy annuitant mortality.

## 10. Sample Rates of Retirement at Selected Ages:

| Age | Fiscal Years Ending Even | Fiscal Years Ending Odd |
|---|---|---|
| 62-74 | 0 | 25% |
| 75+ | 0 | 100% |

Note that all retirement rates are only applied once the member is eligible to retire, so those with 62 or 65 normal retirement ages are not assumed to retire until eligible. No retirements are assumed prior to age 62, regardless of service amount.

## 11. Disability Assumption

No disability incidents are assumed.

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# APPENDIX C — ACTUARIAL ASSUMPTIONS AND METHODS

## 12. Family Composition Assumptions

80% of male active members are assumed to be married and have two children born when the member is 30 and 34; children are assumed dependent until age 18; a female spouse is assumed to be two years younger than a male member; member is assumed to have no dependent parents.

50% of female active members are assumed to be married and have two children born when the member is 28 and 32; children are assumed dependent until age 18; a male spouse is assumed to be one year older than a female member; member is assumed to have no dependent parents.

An unmarried member is assumed to have beneficiaries entitled to benefits worth 80% as much as those of married members' beneficiaries.

## 13. Technical and Miscellaneous Assumptions

Decrement Timing: Middle of the valuation year.

Pay Increase Timing: Salary provided is treated as the rate of pay as of the valuation date. Annual increases are applied as of the beginning of each subsequent valuation.

Member Contribution Interest Rate: Reflect actual historical member contribution interest rates from 1970 through the valuation; future contribution interest assumed to equal the inflation assumption of 2.75%.

## 14. Rationale for Assumptions

The demographic assumptions were adopted by the Board of Trustees at their March 12, 2026 meeting. The demographic assumptions adopted were based on an experience study covering the period from July 1, 2020 through June 30, 2025.

The economic assumptions were adopted by the Board of Trustees at their June 11, 2026 meeting. The economic assumptions adopted were based on an experience study of economic factors through May 2026 along with advice of the MainePERS investment consultants.

In our professional judgment, the combined effect of the assumptions has no significant bias.

The LDROM discount rate is the single equivalent rate determined by matching System cashflows to US Treasury Securities yields as of the measurement date as published by the Federal Reserve.

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# APPENDIX C — ACTUARIAL ASSUMPTIONS AND METHODS

## 15. Assumption Changes Since Prior Valuation

The mortality, termination, retirement, and family composition assumptions were updated based on the most recent experience study.

The LDROM discount rate was updated to 4.85% based on Treasury yields as of June 30, 2026.

## 16. Rationale for Change in Actuarial Assumptions

The demographic assumption changes are based on an experience study covering the period from July 1, 2020 through June 30, 2025. Please see the July 2026 experience study report for the rationale for the changes.

## 17. Disclosure for Reasonable Actuarially Determined Contribution Method

The rates determined in the ratemaking process and shown in Table I-2 meet the requirements of a reasonable ADC as defined by the Actuarial Standards of Practice. The actuarial methods used to determine the reasonable ADC have been selected to balance benefit security, intergenerational equity, and stability of contributions. The selection of the actuarial methods has taken into account the demographics of plan members, the funding goals and objectives of the Board, and the need to accumulate assets to make benefit payments when due. The Actuarially Determined Contribution disclosed in this report represents a reasonable Actuarially Determined Contribution in accordance with Actuarial Standard of Practice (ASOP) No. 4.

## 18. Disclosure of Models Used

ProVal: Cheiron utilizes ProVal, an actuarial valuation software leased from Winklevoss Technologies (WinTech) to calculate the liabilities, normal costs, and projected benefit payments. We have relied on WinTech as the developer of ProVal. We have reviewed ProVal and have a basic understanding of it and have used ProVal in accordance with its original intended purpose. We have not identified any material inconsistencies in assumptions or output of ProVal that would affect this actuarial valuation.

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# APPENDIX C — ACTUARIAL ASSUMPTIONS AND METHODS

## B. Actuarial Methods

### 1. Funding and LDROM Cost Method

The Entry Age Normal Actuarial Cost Method is used to determine costs. Under this cost method, the total employer contribution rate consists of two elements: the employer normal cost rate and the Unfunded Actuarial Liability (UAL) rate.

Under this method, the actuarial present value of the projected benefits of each active included in the valuation is allocated on a level basis over the earnings of the individual between entry age and assumed exit age(s). The portion of this actuarial present value allocated to the year beginning on the valuation date is called the normal cost. For each active, the normal cost is determined by taking the value, as of entry age into the Program, of the member's projected benefits, reduced by the value of future member contributions, and then dividing it by the value, also as of the member's entry age, of the member's expected future salary. This rate is then multiplied by the member's salary at the valuation date to produce the normal cost for each member, which is then aggregated across all members to get the total normal cost for the Program. This total normal cost is then divided by the total salary for the Program at the valuation date to get the normal cost rate for the Program.

The portion of the actuarial present value not provided for at the valuation date by the actuarial present value of the future normal costs is called the Actuarial Liability. The Unfunded Actuarial Liability is defined as the total Actuarial Liability at the valuation date less the actuarial value of the Program's assets at the valuation date. Contributions are made to fund this Unfunded Actuarial Liability (UAL). The UAL amortization rate for this Program is developed by amortizing the unfunded liability over an open 10-year period, assuming these amortization payments increase over the previous year at a rate of 2.75% per year. The resulting amortization for the year beginning on the valuation date is then divided by the total payroll for the Program to develop the UAL amortization rate. Amortization payments are assumed to be made in each pay period. All assumption changes and gain/losses are included in the UAL amortization except for Program changes that are fully funded at the time of implementation.

The total rate for the Program is produced by adding the normal cost rate and the UAL amortization rate, subject to the requirement that the total rate cannot be less than 0%.

By using an open amortization period, this cost method results in the expectation that any unfunded liability in the Program as of a valuation date will never be fully reduced to zero if all of the valuation assumptions are exactly met.

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# APPENDIX C — ACTUARIAL ASSUMPTIONS AND METHODS

## 2. Asset Valuation Method

For purposes of determining the State contributions to the Program and the Program's funded ratio, we use an Actuarial Value of Assets. The asset adjustment method dampens the volatility in asset values that could occur because of fluctuations in market conditions. Use of an asset smoothing method is consistent with the long-term nature of the actuarial valuation process.

In determining the Actuarial Value of Assets, we calculate an expected actuarial value based on the cash flows for the year and imputed returns at the actuarial assumption. This expected value is compared to the actual fair value at the valuation date, and one-third of the difference is added to the preliminary actuarial value to arrive at the final actuarial value.

## 3. FASB ASC 960 Cost Method

The cost method for valuation of liabilities for FASB ASC 960 purposes is the Unit Credit Cost Method. This is one of a family of valuation methods known as accrued benefits methods. The chief characteristic of accrued benefits methods is that the funding pattern follows the pattern of benefit accrual. The accrued liability, which is determined for each Participant as of each valuation date, represents the actuarial present value of each Participant's benefit earned prior to the valuation date.

## 4. Method Changes Since Last Valuation

None.

## 5. Rationale for Change

N/A.

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# APPENDIX D — GLOSSARY OF GASB TERMS

## 1. Actuarially Determined Contribution

A target or recommended contribution for the reporting period, determined in conformity with Actuarial Standards of Practice based on the most recent measurement available when the contribution for the reporting period was adopted.

## 2. Actuarial Valuation Date

The date as of which an actuarial valuation is performed. This date may be up to 24 months prior to the measurement date and up to 30 months prior to the employer's reporting date.

## 3. Deferred Inflow of Resources

An acquisition of net assets by a government employer that is applicable to a future reporting period. In the context of GASB 68, these are experience gains on the Total Pension Liability, assumption changes reducing the Total Pension Liability, or investment gains that are recognized in future reporting periods.

## 4. Deferred Outflow of Resources

A consumption of net assets by a government employer that is applicable to a future reporting period. In the context of GASB 68, these are experience losses on the Total Pension Liability, assumption changes increasing the Total Pension Liability, or investment losses that are recognized in future reporting periods.

## 5. Entry Age Actuarial Cost Method

The actuarial cost method required for GASB Nos. 67 and 68 calculations. Under this method, the actuarial present value of the projected benefits of each individual, included in an actuarial valuation, is allocated on a level basis over the earnings of the individual between entry age and assumed exit ages. The portion of this actuarial present value allocated to a valuation year is called the Service Cost. The portion of this actuarial present value not provided for at a valuation date by the actuarial present value of future service costs is called the Total Pension Liability.

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# APPENDIX D — GLOSSARY OF GASB TERMS

## 6. Measurement Date

The date as of which the Total Pension Liability and Program Fiduciary Net Position are measured. The Total Pension Liability may be projected from the Actuarial Valuation Date to the Measurement Date. The Measurement Date must be the same as the Reporting Date for the Program.

## 7. Net Pension Liability

The liability of employers and non-employer contributing entities for employees for benefits provided through a defined benefit pension plan. It is calculated as the Total Pension Liability less the Program Fiduciary Net Position.

## 8. Program Fiduciary Net Position

The fair or Market Value of Assets.

## 9. Reporting Date

The last day of the Program or employer's fiscal year.

## 10. Service Cost

The portion of the actuarial present value of projected benefit payments that is attributed to the current period of employee service in conformity with the requirements of GASB Nos. 67 and 68. The Service Cost is the normal cost calculated under the Entry Age Actuarial Cost Method.

## 11. Total Pension Liability

The portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service in conformity with the requirements of GASB Nos. 67 and 68. The Total Pension Liability is the Actuarial Liability calculated under the Entry Age Actuarial Cost Method. This liability is not an appropriate measurement of the settlement liability of the Program.

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CHEIRON Classic Values, Innovative Advice

# Maine Public Employees Retirement System Judicial Retirement Program Actuarial Valuation Report as of June 30, 2026

**Produced by Cheiron**

**October 2026**

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www.cheiron.us 1.877.CHEIRON (243.4766)

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# LETTER OF TRANSMITTAL

October 8, 2026

Board of Trustees
Maine Public Employees Retirement System
PO Box 349
Augusta, Maine 04332-0349

Dear Members of the Board:

We are pleased to submit the June 30, 2026 Actuarial Valuation Report for the Judicial Retirement Program (Program) of the Maine Public Employees Retirement System (MainePERS or System).

The purpose of this report is to present the annual actuarial valuation of the Judicial Retirement Program of the Maine Public Employees Retirement System. This report contains information on assets, liabilities, and contributions of the Program, as well as required accounting statement disclosures under the Governmental Accounting Standards Board (GASB) Statement No. 67.

In preparing our report, we relied on information, some oral and some written, supplied by the System's staff. This information includes, but is not limited to, the Plan provisions, employee data, and financial information as of the valuation date. We performed an informal examination of the obvious characteristics of the data for reasonableness and consistency in accordance with Actuarial Standard of Practice No. 23, *Data Quality*.

Future results may differ significantly from the current results presented in this report due to such factors as the following: Program experience differing from that anticipated by the assumptions, changes in assumptions, and changes in Plan provisions or applicable law.

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

This actuarial report was prepared exclusively for MainePERS for the purposes described herein and for the use by the Program auditor in completing an audit related to the matters herein. Other users of this report are not intended users as defined in the Actuarial Standards of Practice, and Cheiron assumes no duty or liability to such other users.

Sincerely,
Cheiron

Gregory A. Reardon, FSA, EA
Principal Consulting Actuary

Bonnie Rightnour, FSA, EA
Principal Consulting Actuary

cc: Gene Kalwarski, Cheiron
Fiona Liston, Cheiron
Kathleen Weaver, Cheiron

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# FOREWORD

Cheiron has completed the Actuarial Valuation Report for the Maine Public Employees Retirement System (MainePERS or System) Judicial Retirement Program (Program) as of June 30, 2026. The purpose of this report is to:

Measure and disclose, as of the valuation date, the financial condition of the Program,
Examine historical Program trends,
Assess and disclose actuarial risks of the Program,
Report on the contribution rates developed in this valuation for informational purposes (Note: the actual contributions paid by the State for fiscal year (FY) 2026 were developed in the budgeting process in July 2024, based on a roll-forward of the June 30, 2023 valuation), and
Provide specific information required for MainePERS's financial disclosures.

An actuarial valuation establishes and analyzes assets and liabilities on a consistent basis and tracks the progress of both from one year to the next. It includes measurement of investment performance as well as an analysis of Actuarial Liability gains and losses.

**Section I** presents a summary containing our key findings, disclosing important Program trends in recent years, and providing analysis relating to the future status of the Program.

**Section II** assesses and discloses various actuarial risk measures of the Program.

**Section III** contains details on various asset measures, together with pertinent performance measurements.

**Section IV** shows similar information on liability measures for various purposes, including an analysis of key changes in the measures.

**Section V** develops informational employer contribution rates to be compared to those established during the ratemaking process.

**Section VI** includes financial disclosure information.

Finally, we present appendices containing the following summaries:

- Program membership information at the valuation date (Appendix A),
- Major benefit provisions of the Program (Appendix B),
- Actuarial assumptions and methods used in the current valuation (Appendix C), and
- Terminology used in the Governmental Accounting Standards Board (GASB) disclosures (Appendix D).

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# SECTION I — BOARD SUMMARY

## General Comments

The annual employer contributions to this Program are determined on a biennial basis in even years. The contributions for fiscal year (FY) 2026 and FY 2027 were developed through this ratemaking process in 2024. The assets used in developing these rates were the preliminary June 30, 2024 assets. These were then combined with estimated liability measures as of June 30, 2024, developed as an adjustment (i.e., roll-forward) of the liabilities of the June 30, 2023 actuarial valuation. This adjustment included updating to reflect anticipated growth in benefits, reductions due to benefit payouts, and any changes in assumptions or benefits between the June 30, 2023 valuation date and the June 30, 2024 measurement date. Similarly, the contributions for FY 2028 and FY 2029 were developed in July of 2026 and were based on estimated assets as of June 30, 2026 and estimated June 30, 2026 liabilities based on a roll-forward of the June 30, 2025 actuarial valuation liabilities using the same adjustment methodology described above.

The results of this June 30, 2026 valuation will be used primarily for accounting disclosures. Next year's June 30, 2027 valuation, adjusted to a June 30, 2028 measurement date and combined with preliminary assets as of June 30, 2028, will be used as the basis for the applicable FY 2030 and FY 2031 employer contributions.

## Experience from July 1, 2025 through June 30, 2026 (FY 2026)

With respect to investment experience for the fiscal year ending June 30, 2026, measured on a Market Value of Assets (MVA) basis, MainePERS experienced an investment return of positive 11.43%. The June 30, 2026 MVA is more than the expected Actuarial Value of Assets (AVA) based on the assumed rate of return assumption of 6.50%. Given the asset smoothing method in place, only one-third of that gain is recognized in the AVA. As a result, the AVA investment return for MainePERS was 9.17%. For this Program, when compared to the expected AVA using Program-specific cashflows translates to a gain for the year of $2.366 million.

With respect to liability experience for the fiscal year ending June 30, 2026, the Program experienced a net liability loss of $0.622 million more than the expected growth of $1.335 million (a 0.7% increase in total liabilities beyond expected growth). The liability change also includes the porting of service for 4 members on February 1, 2026 from the State Program, which was offset by an asset transfer to cover this change. This net loss was largely attributable to mortality (fewer deaths than expected) and COLA exceeding assumed increases, partially offset by retirement gains. The net liability loss was more than offset by a gain of $1.067 million attributable to the net effect of assumption changes from the June 30, 2025 Experience Study approved by the Board on March 12, 2026.

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# SECTION I — BOARD SUMMARY

Combining the investment and liability experience produced a total experience gain of $2.811 million. Combining this with a decrease in the normal cost rate results in an informational total employer contribution of 1.58% of payroll as of June 30, 2026. This is a decrease of 3.41% compared to the June 30, 2025 valuation contribution rate of 4.99% of payroll.

As of the June 30, 2026 valuation, the Program has an Unfunded Actuarial Liability (UAL) of ($9.408) million (i.e., a surplus) based on the AVA. This represents an increase in the surplus position of $2.189 million from the ($7.219) million AVA UAL measured as of June 30, 2025. This compares to an expected decrease in the surplus position of $0.622 million. The specific factors contributing to this change are presented in Table I-1. This table has separate columns showing the components of the changes in liabilities and the assets during FY 2026 as well as their combined effect on the UAL.

**Table I-1**
**(Amounts in Millions)**

| | Liabilities | Assets | UAL |
|---|---|---|---|
| Value as of June 30, 2025 | $ 83.084 | $ 90.303 | $ (7.219) |
| Expected Change | 1.335 | 0.713 | 0.622 |
| Transfer | 1.752 | 1.752 | 0.000 |
| Impact of Plan Changes | 0.000 | 0.000 | 0.000 |
| Impact of Assumption Changes | (1.067) | 0.000 | (1.067) |
| Recognized Investment Gain | 0.000 | 2.366 | (2.366) |
| Recognized Liability Loss | 0.622 | 0.000 | 0.622 |
| Value as of June 30, 2026 | $ 85.726 | $ 95.134 | $ (9.408) |

*This table uses the Actuarial Value of Assets. Results would be different if the market value were used.*

The remainder of this Board Summary section summarizes the Program's historical trends and summarizes the principal results of the valuation. These principal results compare key results between this and last year's valuations for member counts, assets, and liabilities, and contribution rates.

## Trends

It is important to take a step back from the latest results and view them in the context of the Program's history. On the next few pages, we present a series of graphs that display key historical trends relating to the Program's condition.

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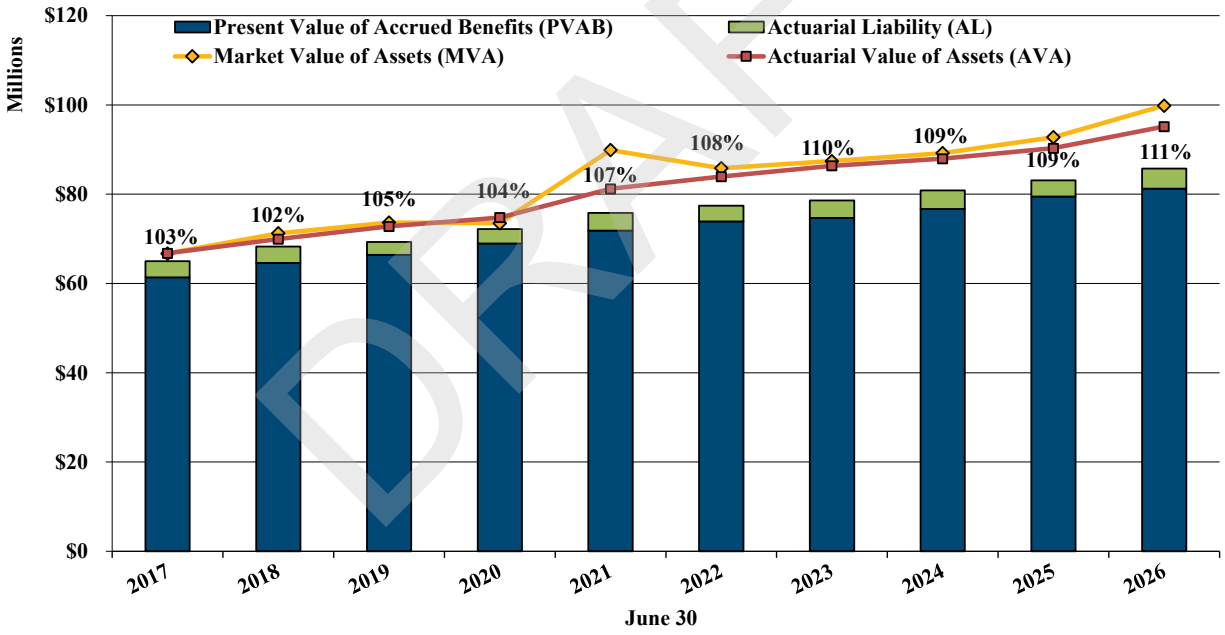
# SECTION I — BOARD SUMMARY

## Assets and Liabilities

The following graph illustrates the progress of assets and liabilities since June 30, 2017, as well as the Program's funded ratio on an Actuarial Value of Assets (AVA) basis.

Liability measures are shown as bars as of June 30 of the indicated years. The Actuarial Liability (AL), the liability measure used for the Program's funding purposes, is represented by the top of the green bars. The blue bars represent the Present Value of Accrued Benefits (PVAB). These liability measures are discussed further in Section IV. Measures of the assets are shown as lines. The AVA is shown with a red line, while the Market Value of Assets (MVA) is shown as a gold line. The AVA divided by the AL is the AVA-funded ratio that is often used in evaluating the Program's funded status. The value of this metric at each valuation date is shown as the percentages in the graph labels.




As of June 30, 2026, the Program's AVA-based funded ratio is 111.0%, which represents an increase from the 108.7% ratio reported in the prior valuation. The 10-year history in the graph shows that over this period, the Program's funded ratio has averaged over 107% on an AVA basis. Measured on an MVA basis, the funded ratio is 116.5% as of June 30, 2026.

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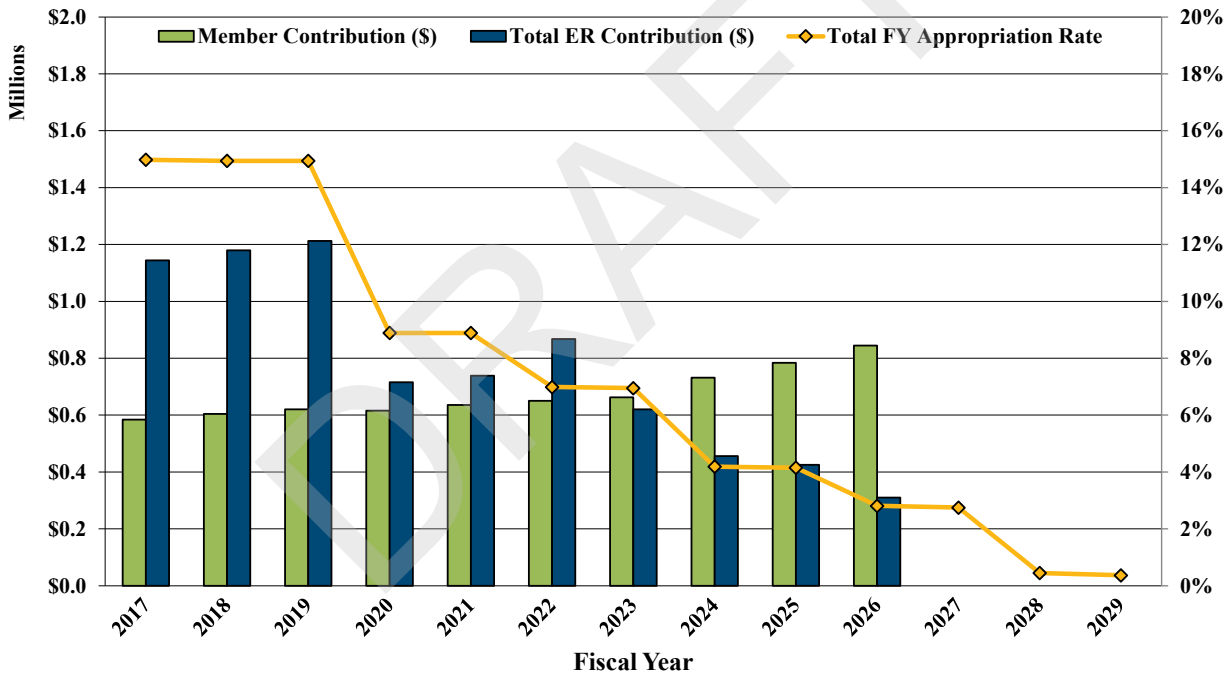
# SECTION I — BOARD SUMMARY

## Contributions

The next graph shows the history of contributions to the Program, both as dollar amounts and as percentages of payroll. The bars in this graph show the contributions made by both the employers and the members in dollar terms for each fiscal year since 2017. These bars are read using the left-hand axis. The gold line shows the total appropriated employer contribution rate for the applicable fiscal year as a percentage of payroll and references the right-hand axis. These rates are those determined by the ratemaking process rather than the informational rates determined in the annual valuations. The FY 2027 through FY 2029 contribution rates have already been determined based on the ratemaking process, so three additional years of the contribution rates are shown versus dollars received.




The member contribution rates are set by statute. The total employer contribution rate is set by the ratemaking process on a biennial basis. The contribution rate for FY 2026 was based on a roll-forward of the June 30, 2023 valuation to June 30, 2024, as previously described in this Board Summary.

The data has reflected purchased service amounts for a number of years, but it was not until the 2017 valuation that assets were transferred to cover those purchases. The impact of this transfer can be seen in the large decline in employer contribution rates between FY 2019 and FY 2020.

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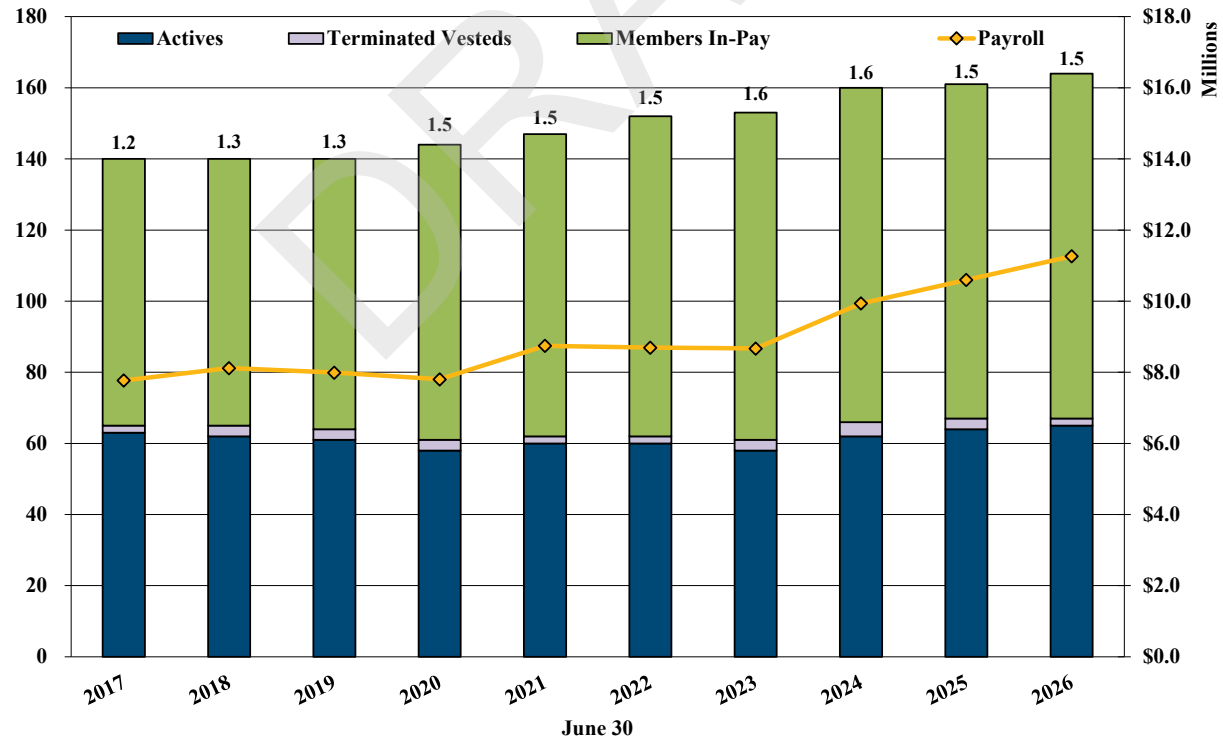
# SECTION I — BOARD SUMMARY

## Participant Trends

The stacked bars in the following graph show the number of active members, terminated vested members, and members in pay status covered by the Program as of June 30 of each year, and are read using the left-hand axis of the graph. As with many funds in this country, there has been a steady growth in the number of retired members as the Program has matured.

The labels above each bar show the "support ratio," which is the ratio of inactive members (members in pay status plus terminated vested members) to active members. This ratio has been generally increasing for the Program. As this ratio grows, the cash flows (contributions less benefits and expenses) of a pension plan tend to become more negative. The more negative a plan's cash flows, the more sensitive the plan is to volatile investment markets, resulting in a higher likelihood of contribution volatility.

The gold line in the graph indicates the total active member covered payroll in the Program and is read using the right-hand axis of the graph. Generally, it has been gradually increasing or steady, with the exception of the larger increases in FY 2021 and FY 2024 through FY 2026.

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# SECTION I — BOARD SUMMARY

## Principal Results Summary

The last section of this Board Summary section of this Actuarial Valuation Report presents a summary of the principal results of the valuation, comparing key results between this and last year's valuations for member counts, assets and liabilities, and contribution rates.

**Table I-2**
**Summary of Principal Results**

| Valuation as of | June 30, 2025 | June 30, 2026 | % Change |
|---|---|---|---|
| **Member Counts** | | | |
| Active Members | 64 | 65 | 1.6% |
| Retired Members | 73 | 77 | 5.5% |
| Beneficiaries of Retired Members | 20 | 19 | (5.0%) |
| Survivors of Deceased Members | 0 | 0 | 0.0% |
| Disabled (Current and Former) Members | 1 | 1 | 0.0% |
| Terminated Vested Members | 3 | 2 | (33.3%) |
| Inactives Due Refunds | 1 | 1 | 0.0% |
| Total Membership | 162 | 165 | 1.9% |
| Annual Payroll of Active Members | $ 10,597,412 | $ 11,262,867 | 6.3% |
| Annual Payments to Benefit Recipients | $ 5,727,124 | $ 6,124,143 | 6.9% |
| **Assets and Liabilities** | | | |
| Actuarial Liability (AL) | $ 83,083,886 | $ 85,725,558 | 3.2% |
| Actuarial Value of Assets (AVA) | 90,303,110 | 95,134,392 | 5.4% |
| Unfunded AL (UAL) | $ (7,219,224) | $ (9,408,834) | (30.3%) |
| AVA Funded Ratio (AVA/AL) | 108.7% | 111.0% | |
| MVA Funded Ratio (MVA/AL) | 111.7% | 116.5% | |
| Accrued Benefit Liability (PVAB) | $ 79,475,772 | $ 81,229,909 | 2.2% |
| Market Value of Assets (MVA) | 92,775,619 | 99,834,087 | 7.6% |
| Unfunded PVAB | $ (13,299,847) | $ (18,604,178) | (39.9%) |
| MVA Accrued Benefit Funded Ratio | 116.7% | 122.9% | |
| **Contributions as a Percentage of Payroll** | | | |
| Employer Normal Cost Rate | 13.21% | 11.66% | |
| UAL Amortization Rate | (8.22)% | (10.08)% | |
| Total Employer Rate | 4.99% | 1.58% | |
| | **2024 Ratemaking** | **2026 Ratemaking** | |
| Total Employer Budgeted Rates | FY 2026 2.81% | FY 2028 0.45% | |
| Total Employer Budgeted Rates | FY 2027 2.75% | FY 2029 0.37% | |

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# SECTION II — RISK ASSESSMENT AND DISCLOSURE

## Introduction

The Program's actuarial valuation results are dependent on assumptions about future economic and demographic experience. Based on Actuarial Standards of Practice, these assumptions represent a reasonable estimate for future experience. However, the actual future experience will never conform exactly to these assumptions and may differ significantly from the assumptions. This deviation is a risk that pension plan sponsors bear in relying on a pension plan's actuarial valuation results.

This section of this report is intended to identify the primary drivers of these risks, provide background information and assessments about these identified risks, and communicate the significance of these risks to this Program. This section for this Program, as well as the Legislative Program, is limited in comparison to the risk sections for the two larger Programs, the State Employee and Teacher Retirement Program, and the Participating Local District Retirement Program. This limitation reflects the relatively small nature of these two Programs as well as their robust funded statuses. It is thus our belief that the additional information that is included in the reports for the larger Programs would not be significantly beneficial in improving the Board's understanding of the identified risks for these two smaller Programs.

## Identification of Risks

For this Program, the three primary valuation results that can significantly differ from those expected are the assets, the liabilities, and the employer contributions. While there are several factors that could lead to these results being different, we believe the primary risks for this Program are:

- Investment risk,
- Longevity and other demographic risks,
- Plan change risk, and
- Assumption change risk.

Other risks that we have not identified may also turn out to be significant.

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# SECTION II — RISK ASSESSMENT AND DISCLOSURE

Investment Risk is the potential for investment returns to deviate from what is expected. When actual investment returns are lower than the investment assumption used in the actuarial valuation, the unfunded liability will increase from what was expected and will require higher contributions than otherwise anticipated. But, when actual returns exceed those assumed, the resulting unfunded liability measurements and Actuarially Determined Contributions will be lower than anticipated. As seen in the historical section that follows, this has been a significant driver of deviations in the actual measurements for this Program from those expected by the prior valuations.

Longevity and Other Demographic Risk is the potential for mortality or other demographic experience to be different than expected. Generally, longevity and other demographic risks emerge slowly over time as the actual experience deviates from expectations. In addition, the extensive number of assumptions related to longevity and other demographic experience often result in offsetting deviations contributing to the Program's overall liability experience. As such, these risks are often dwarfed by other risks, particularly those due to the investment returns. However, for small plans like this, there are relatively few members, and so the behavior of individual members can have a significant impact on the liabilities. The following historical section shows that this is true for this Program in individual years, but these deviations have been offsetting such that the cumulative magnitude for the period shown is relatively minor.

Plan Change Risk is the potential for the provisions of the Program to be changed such that the funding or benefits are changed materially. In addition to the actual payments to and from the Program being changed, future valuation measurements can also be impacted, with Program changes leading to deviations between actual future measurements and those expected by prior valuations. For this Program, this risk is partially mitigated by the constitutional requirement that any Program changes creating new unfunded actuarial liabilities must be fully funded.

Assumption Change Risk is the potential for the environment to change such that future valuation assumptions are adjusted to be different than the current assumptions. For example, declines in interest rates over time may result in a change in the discount rate used in the valuation. A healthier workforce may result in changes in employee behavior such that retirement rates are adjusted to reflect employees working longer. Assumption change risk is an extension of the risks previously identified, but rather than capturing the risk as it is experienced, it captures the cost of recognizing a change in the environment, resulting in the current assumption no longer being reasonable. The historical review section will show that assumption change risk has been a significant risk for this Program in some individual years, but has netted out to a small impact over the period shown.

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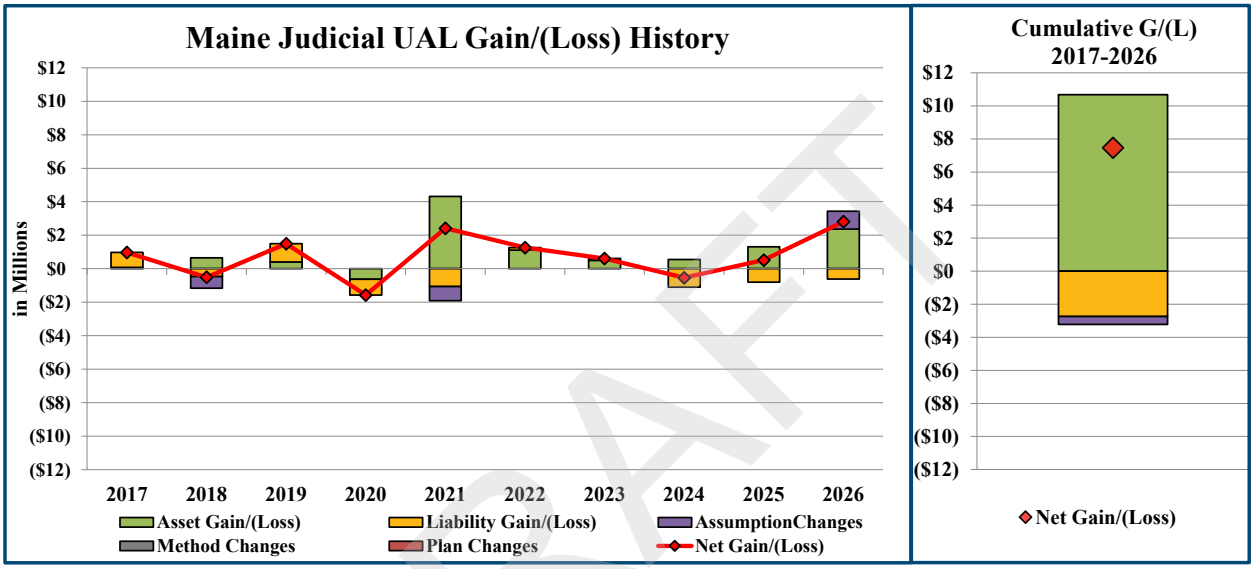
# SECTION II — RISK ASSESSMENT AND DISCLOSURE

## Historical Experience Deviations

In understanding the impact of some of these risks, it is useful to look at past experience deviations. These deviations are commonly referred to as actuarial gains and losses. The following graph shows the gains/(losses) at each valuation date between the actual and expected experience, broken down by source, for the last 10 years.




As described previously and as evident in this graph, asset and liability gains and losses have been the greatest sources of deviations for the Program cumulatively. While assumption changes have not been a significant source cumulatively for this period, they have been sources of significant risk in individual years.

## Plan Maturity Measures

As pension plans become more mature, the primary risks of adverse investments, demographic deviations, plan changes, and assumption/method changes become more significant concerns as the resulting impacts on the Program's condition are more pronounced. As a result, it has become increasingly important to examine measures that indicate a pension plan's maturity level. With shrinking workforces, aging Baby Boomers, and retirees living longer, plans pay out more in benefits than they receive in contributions – leading to negative net cash flows, excluding investment income. This dynamic makes it harder for a plan to recover from losses since contributions are generally made based on active payroll.

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# SECTION II — RISK ASSESSMENT AND DISCLOSURE

One of the main reasons risks are more amplified with a mature plan is that, when plans with negative net cash flows suffer investment losses, they need to liquidate enough assets to pay for benefits in excess of contributions. That means these plans will need to earn higher returns to rebuild their assets to the previous levels. Plans with negative net cash flows exceeding five percent of assets are especially vulnerable to asset losses.

The balance of this section discloses and examines three maturity measures: the asset leverage ratio, the liability leverage ratio, and the support ratio.

## ASSET LEVERAGE RATIO

One important plan maturity measure is the asset leverage ratio, the Market Value of Assets divided by the plan's payroll. This measure represents the multiple of an asset loss as a percentage of payroll that would need to be contributed to recover from the change in the plan's assets. As a plan matures, its assets increase, and a greater proportion of the assets are paid out in benefit payments to members. The greater the plan's assets are relative to payroll, the more vulnerable the plan is to investment volatility in terms of the resulting contribution requirement changes.

As an example, take two plans that both experience a 10% investment loss equaling $500 million on their existing assets of five billion dollars. Plan A's asset leverage ratio is 10, and Plan B's ratio is five. This means that Plan A has to spread, or amortize, that loss over a payroll that is half as large as Plan B's. As seen in the chart below, this results in the percentage of payroll that Plan A would need to contribute to make up the loss being double what would be required for Plan B.

| | ($ in millions) | |
|---|---|---|
| | Plan A | Plan B |
| Plan Assets | $ 5,000 | $ 5,000 |
| Payroll | $ 500 | $ 1,000 |
| Asset Leverage Ratio | 10.0 | 5.0 |
| | | |
| 10% Loss | $ 500 | $ 500 |
| 10% Loss as % of Payroll | 100% | 50% |

This Program's asset leverage ratio was 10.3 in 2021 but has declined and is currently 8.9 in 2026. This still represents a moderate increase from 7.5 in  in the Program's ratio over the past 20 years, and as such, investment losses are equivalent to a greater proportion of payroll.

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# SECTION II — RISK ASSESSMENT AND DISCLOSURE

## Liability Leverage Ratio

Another leverage ratio that can be examined is the liability leverage ratio, the ratio of actuarial liabilities to payroll. The greater the plan's liabilities are relative to payroll, the more vulnerable the plan is to liability experience volatility. As previously discussed, the small nature of this Program means that the magnitude of liability gains and losses is often greater relative to the liabilities compared to what larger plans experience, so it is valuable to be aware of this ratio. For this Program, this metric was generally increasing for many years, but has recently dropped and is now below the level in 2014, currently at approximately 7.6.

## Support Ratios

Another commonly used measure of plan maturity is the support ratio, the ratio of in-pay and inactive members, or those receiving benefits or entitled to a deferred benefit, to the number of active members, or those currently accruing benefits in the plan. The greater this ratio, the more mature a plan is considered, with the proportion of the plan's liability represented by actives generally declining.

A graph of this ratio was shown in the prior section, which showed that this ratio has been generally increasing for this Program in recent years and is currently approximately 1.5 participants either in-pay or with a deferred benefit for each active member.

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# SECTION III — ASSETS

Pension plan assets play a key role in the financial operation of plans and in the decisions that Trustees make with respect to future deployment of those assets. The level of assets, the allocation of assets among asset classes, and the methodology used to measure assets will likely affect benefit levels, employer contribution rates, and the ultimate security of members' benefits.

The assets for all Defined Benefit (DB) Programs administered by MainePERS are invested together. These Programs are the State Employee and Teacher Retirement Program, the Judicial Retirement Program, which is valued in this report, the Legislative Retirement Program, and the Participating Local District (PLD) Retirement Program, including both the Consolidated Plan and the several Nonconsolidated PLDs. The assets of these Programs are entirely commingled for investment purposes, so the Actuarial Value of Assets (AVA) for each of these Programs is developed by first developing it for the entire asset pool and then subsequently allocating that total AVA to each of the specific Programs.

In this section, we present detailed information on the Program's assets, including:

- Disclosure of total MainePERS DB assets at June 30, 2026,
- Statement of changes in total MainePERS DB market values during the year,
- Development of the total MainePERS DB AVA,
- Allocation of the total actuarial value to MainePERS DB Programs,
- Assessment of the total MainePERS DB investment performance, and
- Projection of expected cash flows for the Program for the next 10 years.

## Disclosure

The Market Value of Assets (MVA) represents a "snapshot" or "cash-out" value, which provides the principal basis for measuring financial performance from one year to the next. However, market values can fluctuate widely with corresponding swings in the marketplace, resulting in volatility in the resulting contributions if the unadjusted market value is used in the valuation process that develops the contributions. Therefore, a smoothed Actuarial Value of Assets is developed for use in the valuation process and for evaluating the Program's ongoing ability to meet its obligations. The actuarial value of the Program's assets is developed by allocating the actuarial value of the total MainePERS DB assets to each Program. This section discloses the market and actuarial values of the MainePERS DB assets, both in total and for each Program.

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# SECTION III — ASSETS

Table III-1 that follows develops the change in the Market Value of Assets for the total MainePERS DB assets during FY 2026.

**Table III-1**
**Changes in Market Value of Total MainePERS Defined Benefit (DB) Assets**

| | | |
|---|---|---|
| **Market Value of Total MainePERS DB Assets – June 30, 2025** | | **$ 21,408,715,435** |
| **Additions** | | |
| Contributions: | | |
| Employer Contributions | $ 661,182,226 | |
| Member Contributions | 288,944,816 | |
| Transfers | (306,005) | |
| Total Contributions | $ 949,821,037 | |
| Investment Income: | | |
| Net Appreciation (Depreciation) in Fair Value of Investments | $ 2,572,063,734 | |
| Interest on Bank Balances | 3,190,606 | |
| Total Investment Income | $ 2,575,254,340 | |
| Investment Activity Expenses: | | |
| Management Fees | $ (126,310,487) | |
| Investment Related Expense | (6,445,905) | |
| Banking Fees | (24,506) | |
| Total Investment Activity Expenses | $ (132,780,898) | |
| Net Income from Investing Activities | $ 2,442,473,442 | |
| Total Additions | | $ 3,392,294,479 |
| **Deductions** | | |
| Retirement Benefits | $(1,298,329,155) | |
| Disability Benefits | (26,691,717) | |
| Survivor Benefits | (29,574,581) | |
| Refunds | (32,712,154) | |
| Administrative Expenses | (20,697,998) | |
| Total Deductions | | $ (1,408,005,605) |
| **Total** | | |
| Net Increase (Decrease) | | $ 1,984,288,874 |
| **Market Value of Total MainePERS DB Assets – June 30, 2026** | | **$ 23,393,004,309** |

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# SECTION III — ASSETS

## Actuarial Value of Total MainePERS DB Assets

Table III-2 that follows develops the Actuarial Value of Assets for the total MainePERS DB assets as of June 30, 2026 using the adopted actuarial valuation methodology.

**Table III-2**
**Development of Actuarial Value of Total MainePERS Defined Benefit (DB) Assets as of June 30, 2026**

| | | |
|---|---|---|
| 1. | Actuarial Value of Total MainePERS DB Assets at June 30, 2025 | $ 20,838,164,256 |
| 2. | Amount in (1) with Interest to June 30, 2026 | 22,192,644,933 |
| 3. | Total Contributions for FY 2026 | 949,821,037 |
| 4. | Interest on Contributions in (3), Assuming Received Uniformly throughout FY 2026 | 30,383,229 |
| 5. | Total Disbursements without Administrative Expenses for FY 2026 | (1,387,307,607) |
| 6. | Interest on Disbursements in (5), Assuming Payments made Uniformly throughout FY 2026 | (44,377,712) |
| 7. | Expected Actuarial Value of Total MainePERS DB Assets at June 30, 2026 = (2) + (3) + (4) + (5) + (6) | $ 21,741,163,880 |
| 8. | Actual Market Value of Total MainePERS DB Assets at June 30, 2026 | 23,393,004,309 |
| 9. | Excess of (8) Over (7) | 1,651,840,429 |
| 10. | Actuarial Value of Total MainePERS DB Assets at June 30, 2026 = (7) + [33⅓% of (9)] | $ 22,291,777,356 |

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As discussed in the disclosure portion of this section, the Actuarial Value of Assets (AVA) for the Program represents a "smoothed" value developed by the actuary to reduce, or eliminate, volatility in valuation results, particularly contribution rates that could develop from short-term fluctuations in the Market Value of Assets (MVA). Current actuarial methods employed in this Program use an allocated portion of the total AVA for the total MainePERS DB assets based on the Program's MVA to develop the AVA for the Program. The methodology for the total MainePERS DB assets sets the AVA equal to the expected value of the AVA plus one-third of the difference between the actual MVA and the expected AVA. The expected value of the AVA takes the prior year's AVA and adjusts it for contributions, disbursements, and expected interest earnings at the investment return assumption that was in effect for the previous year, 6.50% for this valuation. The previous table, Table III-2, illustrates the calculation of the Actuarial Value of Assets for the total MainePERS DB assets as of June 30, 2026.

# SECTION III — ASSETS

## Allocation of Actuarial Value of Assets to the Program

The assets for the defined benefit (DB) Programs administered by MainePERS are commingled for investment purposes with the total AVA allocated to the individual Programs on the basis of the MVA for each Program. An asset ratio (total MainePERS DB AVA divided by total MainePERS DB MVA) is applied to the MVA attributable to each of the Programs to determine its AVA as of the valuation date. The asset ratio derived in this June 30, 2026 valuation is 0.952925 ($22,291,777,356 ÷ $23,393,004,309). The allocation of the total MainePERS DB AVA to each of the MainePERS DB Programs based on this asset ratio is shown in the following table.

**Table III-3**
**Allocation of Actuarial Value of Total MainePERS DB Assets as of June 30, 2026**

| Program | Market Value | Actuarial Value |
|---|---|---|
| Teachers | $ 12,152,470,780 | $ 11,580,392,556 |
| State (Regular & Special) | 6,259,869,481 | 5,965,185,784 |
| Judicial | 99,834,087 | 95,134,392 |
| Legislative | 20,392,813 | 19,432,820 |
| Participating Local Districts (Consolidated & Non-Consolidated) | 4,860,437,148 | 4,631,631,804 |
| Total | $ 23,393,004,309 | $ 22,291,777,356 |

## Investment Performance

The Market Value of Assets for the total MainePERS DB assets returned a positive 11.43% during FY 2026. This is greater than the assumed return of 6.50% for FY 2026. The equivalent market value returns for the total MainePERS DB assets for FY 2025 and FY 2024 were positive 9.31% and positive 7.43%, respectively.

On an Actuarial Value of Assets basis, the return for FY 2026 was a positive 9.17% for the total MainePERS DB assets. This return is less than the return on a market value basis but greater than 6.50% assumption in effect for FY 2026. Therefore, this return gave rise to an investment gain on the total MainePERS DB assets this year.

## Cash Flow Projections

In Table III-4 below, we provide a projection of expected cash flows for the next 10 years for informational purposes. The Board may share these projections with its investment advisor for consideration of the gap shown between the cash expected to come into the Program through

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# SECTION III — ASSETS

employer and member contributions and the cash expected to be paid out of the Program to provide benefit payments.

**Table III-4**
**Projection of Judicial Program Benefit Payments and Contributions**

| FY Ending June 30, | Expected Benefit Payments | Expected Employer Contributions | Expected Member Contributions | Total Expected Contributions |
|---|---|---|---|---|
| 2027 | $ 6,455,000 | $ 309,700 | $ 861,600 | $ 1,171,300 |
| 2028 | 6,821,100 | 52,100 | 885,300 | 937,400 |
| 2029 | 7,022,900 | 44,000 | 909,600 | 953,600 |
| 2030 | 7,237,800 | 45,200 | 934,700 | 979,900 |
| 2031 | 7,412,700 | 46,400 | 960,400 | 1,006,800 |
| 2032 | 7,472,800 | 47,700 | 986,800 | 1,034,500 |
| 2033 | 7,546,800 | 49,000 | 1,013,900 | 1,062,900 |
| 2034 | 7,593,500 | 50,400 | 1,041,800 | 1,092,200 |
| 2035 | 7,641,700 | 51,800 | 1,070,400 | 1,122,200 |
| 2036 | 7,658,500 | 53,200 | 1,099,900 | 1,153,100 |

The expected benefit payments in Table III-4 were developed using the data currently included in this valuation and on the assumption that the actuarial assumptions disclosed in Appendix C will be exactly met. Actual benefit payments will differ as the amount and timing of payments will vary based on individual member experience. These benefit projections exclude any assumption about new Program participants, whose experience will eventually lead to increased benefit payments. However, we do not feel this exclusion will materially impact the projections for the period shown.

Expected employer contributions in this table use the budgeted contribution rates for FY 2027 through FY 2029 and assume payroll growth at 2.75% per year. Future contributions beyond that point are assumed to continue at the FY 2029 rate.

The expected member contributions are similarly based on a 2.75% per year assumed increase in covered payroll multiplied by the current member contribution rate of 7.65% for FY 2027.

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# SECTION IV — LIABILITIES

In this section, we present detailed information on Program liabilities, including:

- Disclosure of the Program's liabilities as of June 30, 2025 and June 30, 2026, and
- Statement of changes in these liabilities during the year.

## Disclosure

Several types of liabilities are calculated and presented in this report. Each type is distinguished by the purpose for which the figures are ultimately used. We note that none of the liabilities presented in this report is an appropriate measure of a settlement liability.

- Present Value of Future Benefits (PVB): Used for analyzing the overall financial obligations of the Program, this represents the amount of money needed today to fully fund all future benefits of the Program, assuming no new members, that active members continue to earn salary increases and accrue benefits under their current Program provisions, and that all actuarial assumptions are exactly met, including the 6.50% per year investment return.
- Actuarial Liability (AL): Used for funding calculations and GASB disclosures, this liability is calculated by taking the PVB above and subtracting the value of accruals that are assigned to future years on a person-by-person basis. This offset is equal to the present value of future member contributions and future employer normal cost contributions under an acceptable actuarial cost method. For this Program and the other MainePERS DB Programs, the method used is referred to as the Entry Age Normal (EAN) Cost Method, which is the only permitted actuarial cost method for GASB disclosures.
- Present Value of Accrued Benefits (PVAB): Used for communicating the liabilities for benefits accrued as of the valuation date.

Table IV-1 that follows discloses each of these liabilities for the current and prior year's valuations. With respect to the Actuarial Liability and the Present Value of Accrued Benefits, a subtraction of the appropriate value of the Program's assets yields, for each respective type, a net surplus or an unfunded liability. For the PVB measure, it is compared to the Market Value of Assets plus the expected future value of contributions to the Program for current members. The future contributions are calculated assuming the current employer and member rates will be continued for all future years, along with the expected future payroll as of each date. The difference between the PVB and these anticipated resources indicates either an expected shortfall or an expected surplus, representing either additional funding required or excess funding, and indicates the size of the Program's stored gains or losses that remain outside of the valuation process currently.

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# SECTION IV — LIABILITIES

## Table IV-1
## Disclosure of Liabilities

| | June 30, 2025 | June 30, 2026 |
|---|---|---|
| **Present Value of Benefits (PVB)** | | |
| Active Member Benefits | $ 43,555,831 | $ 45,110,204 |
| Retired, Disabled, Survivor, and Beneficiary Benefits | 51,698,115 | 54,848,266 |
| Terminated Vested Benefits | 1,172,296 | 771,091 |
| Terminated Nonvested Benefits | 4,497 | 4,700 |
| **Total PVB** | **$ 96,430,739** | **$ 100,734,261** |
| Market Value of Assets (MVA) | $ 92,775,619 | $ 99,834,087 |
| Future Member Contributions | 5,211,561 | 6,380,234 |
| Future Employer Contributions | 1,780,085 | 315,810 |
| Projected (Surplus)/Shortfall | (3,336,526) | (5,795,870) |
| **Total Resources** | **$ 96,430,739** | **$ 100,734,261** |
| **Actuarial Liability (AL)** | | |
| Present Value of Benefits (PVB) | $ 96,430,739 | $ 100,734,261 |
| Present Value of Future Normal Costs (PVFNC) | | |
| Employer Portion | 8,135,292 | 8,628,469 |
| Member Portion | 5,211,561 | 6,380,234 |
| **Actuarial Liability (AL = PVB – PVFNC)** | **$ 83,083,886** | **$ 85,725,558** |
| Actuarial Value of Assets (AVA) | 90,303,110 | 95,134,392 |
| **Net (Surplus)/Unfunded (AL – AVA)** | **$ (7,219,224)** | **$ (9,408,834)** |
| **Present Value of Accrued Benefits (PVAB)** | | |
| Present Value of Future Benefits (PVB) | $ 96,430,739 | $ 100,734,261 |
| Present Value of Future Benefit Accruals (PVFBA) | 16,954,967 | 19,504,352 |
| **Accrued Liability (PVAB = PVB – PVFBA)** | **$ 79,475,772** | **$ 81,229,909** |
| Market Value of Assets (MVA) | 92,775,619 | 99,834,087 |
| **Net (Surplus)/Unfunded (PVAB – MVA)** | **$ (13,299,847)** | **$ (18,604,178)** |

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# SECTION IV — LIABILITIES

## Low-Default-Risk Obligation Measure (LDROM)

The System invests in a diversified portfolio with the objective of maximizing investment returns at a reasonable level of risk. A low-risk portfolio for a pension plan would be composed entirely of low-default-risk fixed income securities whose cash flows match the benefit cash flows of the System. Such a portfolio, however, would have a lower expected rate of return than the diversified portfolio. The LDROM represents what the funding liability would be if the System invested its assets in such a portfolio. As of June 30, 2026, we estimate that a portfolio composed only of US Treasury securities would have an expected return of 4.85% compared to the System's discount rate of 6.50%, and the LDROM would be $98.6 million compared to the Actuarial Liability of $85.7 million. The $12.9 million difference represents the expected taxpayer savings from bearing the risk of investing in the diversified portfolio. Alternatively, it also represents the cost of eliminating the investment risk.

If the System were to invest in the LDROM portfolio, the reported funded status would decrease, and contribution requirements would increase. Benefit security for members of the Program relies on a combination of the assets in the System, the investment returns generated on those assets, and the promise of future contributions. If the System were to invest in the LDROM portfolio, it would not change the amount of assets currently in the System, but it would reduce expected future investment returns and increase expected future contributions. However, the range of future investment returns and future contributions needed would narrow significantly.

## Changes in Liabilities

Each of the liabilities disclosed in Table IV-1 is expected to change at each subsequent valuation. The components of these changes, depending upon which liability is analyzed, can include:

- New Program members since the last valuation
- Benefits accrued since the last valuation
- Program amendments changing benefits since the last valuation
- Passage of time, which adds interest to the prior liability
- Benefits paid to members since the last valuation
- Members retiring, terminating, or dying at rates different than expected since the last valuation
- Salaries changing at rates different than expected since the last valuation
- A change in actuarial assumptions since the last valuation
- A change in the actuarial cost method since the last valuation

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# SECTION IV — LIABILITIES

Unfunded liability measurements will change because of all of the above, as well as due to changes in the Program's asset measurements resulting from:

- Contributions being different than expected
- Investment earnings being different than expected
- A change in the method used to measure the Program's assets in developing the unfunded liability measure since the last valuation

In each valuation, we report on those elements of change in the Program's liability measures that are of particular significance, potentially affecting the long-term financial outlook of the Program. In Table IV-2 that follows, we present key changes in the Program's liability measures since the last valuation.

**Table IV-2**

| | Present Value of Future Benefits | Actuarial Liability | Present Value of Accrued Benefits |
|---|---|---|---|
| Liability Measurement – June 30, 2025 | $ 96,430,739 | $ 83,083,886 | $ 79,475,772 |
| Liability Measurement – June 30, 2026 | 100,734,261 | 85,725,558 | 81,229,909 |
| Liability Measurement Increase/ (Decrease) Due to: | $ 4,303,522 | $ 2,641,672 | $ 1,754,137 |
| Program Amendment | $ 0 | $ 0 | $ 0 |
| Assumption Change | (901,213) | (1,066,844) | (1,398,835) |
| Actuarial (Gain)/Loss | N/C | 622,354 | N/C |
| Benefits Accumulated and Other Sources | $ 5,204,735 | $ 3,086,162 | $ 3,152,972 |

N/C = Not calculated

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# SECTION V — CONTRIBUTIONS

In this section, we present detailed information on informational employer contribution rates as developed in this June 30, 2026 valuation for the Program, including the development of the employer contribution rate, comprised of the employer normal cost rate and the Unfunded Actuarial Liability (UAL) amortization rate (UAL amortization rate).

Note that these contribution rates are only informational, and the actual contribution rates are set by the budgeting process described in the Board Summary at the beginning of this report.

## Description of Rate Components

For this Program, the funding methodology employed to determine the employer contribution rates is the Entry Age Normal (EAN) Cost Method. Under this method, there are two components to the total employer contribution rate: the employer's normal cost rate (NC rate) and the UAL amortization rate (UAL amortization rate).

An individual EAN cost rate is determined for each active member. The normal cost is determined by the following steps. First, an individual normal cost rate for each member is determined by taking the value of their projected future benefits, as of entry age into the Program. Second, this value is then divided by the value, also at entry age, of the member's expected future salary. Finally, the resulting total normal cost rate is reduced by the member contribution rate to produce the employer's normal cost rate for the member. These rates are then multiplied by each member's salary as of the valuation date and added together to get the total employer normal cost dollars as of the valuation date for the Program, which is then divided by the total payroll at the valuation date for the Program to get the employer normal cost rate for the Program.

The Unfunded Actuarial Liability under the EAN cost method equals the present value, at the time of valuation, of the future benefit payments less the present value of future employer normal cost contributions, future member contributions, and current assets. The UAL amortization rate is the percentage that, when applied to member payroll, which is assumed to increase 2.75% per year, is expected to amortize the UAL according to the Program's amortization policy, which is an open 10-year period for this Program.

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# SECTION V — CONTRIBUTIONS

## CONTRIBUTION CALCULATIONS

Table V-1 below presents and compares the total employer contribution rate, as well as its two components, for the Program as developed in this valuation and the prior one.

**Table V-1**
**Judicial Total Employer Rate**

| Valuation Date | June 30, 2025 | June 30, 2026 |
|---|---|---|
| Employer NC Rate | 13.21% | 11.66% |
| UAL Amortization Rate | (8.22)% | (10.08)% |
| Total Employer Rate | 4.99% | 1.58% |

The rates developed in this section are for informational purposes only. Actual budgeted rates are set based on the ratemaking process described in the Board Summary section.

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# SECTION VI — FINANCIAL DISCLOSURE INFORMATION

This section contains financial disclosure information regarding the Program developed under a number of accounting standards and guidance.

First, for informational purposes, we show the Program's funded status under the Financial Accounting Standards Board (FASB) ASC 960, which discloses how the Market Value of Assets would compare to accrued liabilities if contributions were to stop and accrued benefit claims had to be satisfied as of the valuation date. However, due to potential legal requirements and the possibility that alternative interest rates would have to be used to determine the liabilities, these values may not be a good indication of the amount of money it would take to buy the benefits for all members if all provisions of the Program were to terminate. We have prepared the following exhibit in this section based on FASB ASC 960:

- Table VI-1: Accrued Benefits Information

The Governmental Accounting Standards Board (GASB) Statement Nos. 67 and 68 establish standards for disclosure of pension information by public employee retirement systems (PERS) and governmental employers in financial statements, notes to financial statements, and supplementary information. We have prepared the following exhibits reflecting provisions of GASB Statement Nos. 67 and 68:

- Table VI-2: Schedule of Changes in Net Pension Liability and Related Ratios
- Table VI-3: Sensitivity of Net Pension Liability to Changes in Discount Rate
- Table VI-4: Schedule of Employer Contributions
- Table VI-5: Average Expected Remaining Service Lives

A summary of the terminology used in GASB Statement Nos. 67 and 68 are provided in Appendix D of this report. Note that while much of the information provided in this report under GASB No. 67 is also utilized in GASB No. 68, Table VI-5 included in this section is only applicable to GASB No. 68.

Finally, we have also developed disclosure information in this section based on additional guidance relating to the Annual Comprehensive Financial Reports (ACFR) of PERS provided by the Government Finance Officers Association (GFOA) in their publication, Governmental Accounting, Auditing, and Financial Reporting (GAAFR). We have prepared the following exhibits reflecting guidance in the GAAFR:

- Table VI-6: Analysis of Financial Experience
- Table VI-7: Schedule of Funded Liabilities by Type

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# SECTION VI — FINANCIAL DISCLOSURE INFORMATION

The Present Value of Accrued Benefits, the Total Pension Liability (GASB 67/68), and the Actuarial Liability (GAAFR) disclosures in this section are all determined assuming that the Program is ongoing and participants continue to terminate employment, retire, etc., in accordance with the actuarial assumptions. Liabilities as of June 30, 2026 are discounted at the assumed valuation interest rate of 6.50% per annum in all of these disclosures.

Table VI-1 below includes the relevant amounts as of June 30, 2025 and June 30, 2026 as well as a reconciliation between the two dates under FASB ASC 960.

**Table VI-1**
**Accrued Benefits Information**

| | June 30, 2025 | June 30, 2026 |
|---|---|---|
| **FASB ASC 960 Basis** | | |
| 1. Present Value of Benefits Accrued to Date (PVAB) | | |
| a. Members Currently Receiving Payments | $ 51,698,115 | $ 54,848,266 |
| b. Terminated Vested Members | 1,172,296 | 771,091 |
| c. Terminated Nonvested Members | 4,497 | 4,700 |
| d. Active Members | 26,600,864 | 25,605,852 |
| e. Total PVAB | $ 79,475,772 | $ 81,229,909 |
| 2. Market Value of Assets (MVA) | 92,775,619 | 99,834,087 |
| 3. Unfunded Present Value of Accrued Benefits, but not less than Zero | $ 0 | $ 0 |
| 4. Ratio of MVA to PVAB (2)/(1) | 116.7% | 122.9% |
| **Change in Present Value of Benefits Accrued to Date during FY 2026** | | |
| Increase/(Decrease) during Year Attributable to: | | |
| Passage of Time | | $ 4,967,439 |
| Benefits Paid | | (6,204,952) |
| Assumption Changes | | (1,398,835) |
| Program Changes | | 0 |
| Benefits Accrued, Other Gains/Losses | | 4,390,485 |
| Net Increase (Decrease) | | $ 1,754,137 |

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Table VI-2 that follows shows the changes in the Total Pension Liability (TPL), the Program's Fiduciary Net Position (FNP) (i.e., fair value of the Program's net assets), and the Net Pension Liability (NPL) during the measurement year ending June 30, 2026, as well as related ratios calculated under the provisions of GASB Statement No. 67 for the Program.

# SECTION VI — FINANCIAL DISCLOSURE INFORMATION

As of the June 30, 2026 valuation, the Fiduciary Net Position for this Program was projected to be available to make all projected future benefit payments for current Program members. As such, the long-term expected rate of return on the Program's investments was applied to all periods of projected benefit payments in determining the Total Pension Liability under GASB Nos. 67 and 68. The projection of cash flows used to determine the discount rate assumes that member contributions will be made at the current contribution rate, and the employer contributions will be made according to the actuarial calculations developed in the biennial ratemaking process.

**Table VI-2**
**Schedule of Changes in Net Pension Liability and Related Ratios FY 2026**

| | |
|---|---|
| **Total Pension Liability (TPL)** | |
| Service Cost (SC) | $ 2,210,620 |
| Interest (includes Interest on SC) | 5,328,717 |
| Changes of Benefit Terms (service port) | 1,751,777 |
| Differences Between Actual and Expected Experience | 622,354 |
| Changes of Assumptions | (1,066,844) |
| Benefit Payments, including Refunds of Member Contributions | (6,204,952) |
| Net Change in TPL | $ 2,641,672 |
| **Beginning of Year (BOY) TPL** | **83,083,886** |
| **End of Year (EOY) TPL** | **$ 85,725,558** |
| | |
| **Program Fiduciary Net Position (FNP)** | |
| Employer Contributions | $ 310,133 |
| Member Contributions | 844,306 |
| Transfers | 1,751,777 |
| Net Investment Income | 10,446,897 |
| Benefit Payments, including Refunds of Member Contributions | (6,204,952) |
| Administrative Expense | (89,693) |
| Net Change in FNP | $ 7,058,468 |
| **BOY FNP** | **92,775,619** |
| **EOY FNP** | **$ 99,834,087** |
| **EOY Net Pension Liability (NPL)** | **$ (14,108,529)** |
| FNP as a Percentage of TPL | 116.5% |
| Covered Payroll (for FY 2026) | $ 11,036,762 |
| NPL as a Percentage of Covered Payroll | (127.8)% |

## Notes to Schedule of Changes in Net Pension Liability and Related Ratios

None.

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# SECTION VI — FINANCIAL DISCLOSURE INFORMATION

A 10-year schedule of changes in NPL and related ratios is to be included within the ACFR for PERS. We have shown only the current year of this Schedule of Changes in Net Pension Liability and Related Ratios above and believe that you can accumulate the individual years in the MainePERS ACFRs to show the full 10-year schedule. Notes to this schedule should be included for any factors significantly impacting the trends reported within the period shown in this schedule at that time. As of June 30, 2026, we have not included suggested information for such a note in the Notes to Schedule of Changes in Net Pension Liability and Related Ratios above. However, it is our expectation that the System's staff will make the final determination regarding any notes needed for this schedule, and we are available to provide any information they may need for this purpose.

Table VI-3 below illustrates the sensitivity of the Net Pension Liability (NPL) to the discount rate. Changes in the discount rate affect the measurement of the Total Pension Liability (TPL) for the Program. Lower discount rates produce a higher TPL, and higher discount rates produce a lower TPL. Because the discount rate does not affect the measurement of assets, the percentage change in the Net Pension Liability (NPL) can be very significant for relatively small changes in the discount rate.

**Table VI-3**
**Sensitivity of Net Pension Liability to Changes in Discount Rate FY 2026**

| | 1% Decrease 5.50% | Discount Rate 6.50% | 1% Increase 7.50% |
|---|---|---|---|
| Total Pension Liability (TPL) | $ 93,311,505 | $ 85,725,558 | $ 79,092,413 |
| Program Fiduciary Net Position (FNP) | 99,834,087 | 99,834,087 | 99,834,087 |
| Net Pension Liability (NPL) | $ (6,522,582) | $(14,108,529) | $(20,741,674) |
| FNP as a Percentage of TPL | 107.0% | 116.5% | 126.2% |

A one percent decrease in the discount rate increases the TPL by approximately 9% and increases the NPL by approximately 54%. A one percent increase in the discount rate decreases the TPL by approximately 8% and decreases the NPL by approximately 47%.

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# SECTION VI — FINANCIAL DISCLOSURE INFORMATION

Table VI-4 that follows provides information relating to the employer contributions for the Program. Under GASB Statement No. 67, if an Actuarially Determined Contribution (ADC) or a contractually or statutorily required contribution (CRC) is developed for a single employer or cost-sharing plan, the following schedule is required. For purposes of this schedule, an ADC is a contribution amount determined in accordance with Actuarial Standards of Practice, and a CRC is based on statutory or contractual requirements. Both should exclude any amounts to finance specific liabilities of individual employers of the Program. If an ADC is available, the schedule of employer contributions should be developed on that basis. If there is no ADC, but there is a CRC, the schedule should be developed on that basis. Only if neither an ADC nor a CRC is developed can this schedule be omitted from the MainePERS's ACFR.

The Program's rates, set in the ratemaking process, meet the definition of an ADC, so for this Program, this schedule should be developed on that basis. Based on GASB guidance, a full 10 years of information should be shown in this schedule. We have shown only the current year of this Schedule of Employer Contributions below and believe that you can accumulate these in the MainePERS ACFR to show the full 10-year schedule.

Only the current year of the Notes to Schedule of Employer Contributions below needs to be included in the notes to this schedule. However, any factors that significantly affect trends in the Schedule of Employer Contributions at any point in the 10-year period should also be included in the notes to this schedule. As of June 30, 2026, we have not included such a note in the Notes to Schedule of Employer Contributions below. However, it is our expectation that the System's staff will make the final determination regarding any notes needed for this schedule, and we are available to provide any additional information that they may need for this purpose.

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**Table VI-4**
**Schedule of Employer Contributions FY 2026**

| | |
|---|---|
| Actuarially Determined Contribution (ADC) | $ 310,133 |
| Contributions in Relation to the ADC | 310,133 |
| Contribution Deficiency/(Excess) | $ 0 |
| Covered Payroll (Payroll) (for FY 2026) | $11,036,762 |
| Contributions as a Percentage of Payroll | 2.81% |

## Notes to Schedule of Employer Contributions

Valuation Date: June 30, 2023

Timing: June 30, 2026 ADC rates are calculated based on 2024 liabilities developed as a roll-forward of the 2023 valuation liability, adjusted for expected experience, and any assumption or methodology changes during FY 2024 using preliminary assets as of June 30, 2024.

# SECTION VI — FINANCIAL DISCLOSURE INFORMATION

## Key Methods and Assumptions Used to Determine Contribution Rates

**Actuarial Cost Method:** Entry Age Normal

**Asset Valuation Method:** Three-year smoothed market

**Amortization Method:** Level percentage of payroll, open 10-year amortization

**Discount Rate:** 6.50%

**Amortization Growth Rate:** 2.75%

**Price Inflation:** 2.75%

**Salary Increases:** 2.75%

**Mortality:**

Healthy Retirees: 112.1% and 118.5% of the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, respectively, for males and females.

Active Lives: 83.5% and 88.6% of the 2010 Public Plan General Benefits-Weighted Employee Mortality Table, respectively, for males and females.

Disabled Annuitants: 107.3% and 103.2% of the 2010 Public Plan Non-Safety Benefits-Weighted Disabled Retiree Mortality Tables, respectively, for males and females.

All tables projected generationally from the 2010 base rates using the RPEC_2020 model with an ultimate rate of 1.00% for ages 80 and under, grading down to 0.05% at age 95, and further grading down to 0.00% at age 115, along with convergence to the ultimate rates in the year 2027.

A complete description of the methods and assumptions used to determine contribution rates for the year ending June 30, 2026 can be found in the June 30, 2024 Actuarial Valuation Report.

## Other Information

None.

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# SECTION VI — FINANCIAL DISCLOSURE INFORMATION

Table VI-5 that follows is provided in this report at the request of MainePERS staff, showing the development of the average remaining service life for the Program. GASB Statement No. 68 requires some items be recognized by employers into pension expense over a period "equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan (active employees and inactive employees) determined as of the beginning of the measurement period." For the current measurement year ending on June 30, 2026, these values are thus developed as of June 30, 2025. Note that the decision was made to use these averages based on rounding to the nearest whole year, so the values are thus shown as such.

**Table VI-5**
**Average Expected Remaining Service Lives For Measurement Year Ending June 30, 2026**

| Status | Total Expected Future Service | Count | Average Remaining Service Lives |
|---|---|---|---|
| Active Members | 529 | 64 | 8 |
| In-Pay Members | 0 | 94 | 0 |
| Terminated Vested Members | 0 | 3 | 0 |
| Inactives Due Refunds | 0 | 1 | 0 |
| Total Membership | 529 | 162 | 3 |

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Table VI-6 below is a gain/loss analysis of the changes in the Actuarial Liability over the past six years, reflecting variances between actual experience and assumed experience for different kinds of risk as specified in the GFOA GAAFR.

**Table VI-6**
**Analysis of Financial Experience**
**Gain and Loss in Actuarial Liability During Fiscal Years Ended June 30**
**Resulting from Differences Between Assumed Experience and Actual Experience**

| Type of Activity | Gain (or Loss) For Fiscal Year Ended June 30, 2021 | Gain (or Loss) For Fiscal Year Ended June 30, 2022 | Gain (or Loss) For Fiscal Year Ended June 30, 2023 | Gain (or Loss) For Fiscal Year Ended June 30, 2024 | Gain (or Loss) For Fiscal Year Ended June 30, 2025 | Gain (or Loss) For Fiscal Year Ended June 30, 2026 |
|---|---|---|---|---|---|---|
| Investment Income | $ 4,321,879 | $ 1,106,736 | $ 498,070 | $ 556,957 | $ 1,314,634 | $ 2,365,837 |
| Combined Liability Experience | (1,066,613) | 150,154 | 110,488 | (1,098,347) | (798,920) | (622,354) |
| Gain (or Loss) during Year from Financial Experience | 3,255,266 | 1,256,890 | 608,558 | (541,390) | 515,714 | 1,743,483 |
| Non-Recurring Items | (836,266) | (273,590) | 0 | 0 | 0 | 1,066,844 |
| Composite Gain (or Loss) During Year | **$ 2,419,000** | **$ 983,300** | **$ 608,558** | **$ (541,390)** | **$ 515,714** | **$ 2,810,327** |

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# SECTION VI — FINANCIAL DISCLOSURE INFORMATION

Table VI-7 below compares the Program's assets as of each valuation date shown to the Program's Actuarial Liability divided into three separate groups: liabilities for contributions on deposit for current active members, liabilities for future benefits for inactive members, and employer-financed liabilities for current active members. This Schedule of Funded Liabilities by Type is used to assess funding progress based on what percentage of the liabilities for each of these groups the Program's assets are sufficient to cover. The Reported Assets are measured at actuarial value. Results would be different if market value were used. Per GFOA guidance, this schedule is to include this assessment for the 10 most recent years, and notes to this schedule should be provided to explain any factors that affect the comparability of the data. We do not believe such a note is needed for the measurement year ending June 30, 2026, but it is our expectation that the System's staff will make the final determination regarding any notes needed for this schedule.

**Table VI-7**
**Schedule of Funded Liabilities by Type**

| Valuation Date June 30, | Aggregate Actuarial Liabilities for: (1) Active Member Contributions | (2) Retirees, Vested Terms, Beneficiaries | (3) Active Members (Employer Financed Portion) | Reported Assets | Portion of Actuarial Liabilities Covered by Reported Assets (1) | (2) | (3) |
|---|---|---|---|---|---|---|---|
| 2026 | $ 13,438,286 | $ 55,624,057 | $ 16,663,215 | $ 95,134,392 | 100% | 100% | 100% |
| 2025 | 11,641,716 | 52,874,908 | 18,657,262 | 90,303,110 | 100 | 100 | 100 |
| 2024 | 12,031,356 | 53,031,273 | 15,783,795 | 87,944,771 | 100 | 100 | 100 |
| 2023 | 11,409,956 | 51,549,703 | 15,626,492 | 86,355,694 | 100 | 100 | 100 |
| 2022 | 12,044,397 | 50,810,744 | 14,570,544 | 83,932,655 | 100 | 100 | 100 |
| 2021 | 11,813,509 | 44,894,321 | 19,079,734 | 81,207,552 | 100 | 100 | 100 |
| 2020 | 12,368,756 | 43,098,408 | 16,729,946 | 74,766,188 | 100 | 100 | 100 |
| 2019 | 11,255,316 | 37,884,418 | 20,176,806 | 72,775,425 | 100 | 100 | 100 |
| 2018 | 11,180,063 | 36,854,246 | 20,257,615 | 69,934,400 | 100 | 100 | 100 |
| 2017 | 10,933,820 | 33,422,798 | 20,643,526 | 66,776,230 | 100 | 100 | 100 |

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# APPENDIX A — MEMBERSHIP INFORMATION

## Active Member Data as of June 30, 2026

| | |
|---|---|
| Count | 65 |
| Average Current Age | 58.4 |
| Average Benefit Service | 12.8 |
| Average Vesting Service | 13.2 |
| Average Valuation Pay | $ 173,275 |

## Non-Active Member Data as of June 30, 2026

| | Count | Average Age | Total Annual Benefit | Average Annual Benefit |
|---|---|---|---|---|
| Retired | 77 | 76.7 | $ 5,324,887 | $ 69,154 |
| Retired – Concurrent Beneficiary | 5 | 71.8 | 80,773 | 16,155 |
| Disability | 1 | 80.6 | 42,614 | 42,614 |
| Beneficiary of Above | 14 | 84.5 | 675,869 | 48,276 |
| Pre-Retirement Death Beneficiary | 0 | 0.0 | 0 | 0 |
| Terminated Vested | 2 | 60.9 | 76,202 | 38,101 |
| Inactive Due Refund | 1 | NA | NA | NA |

| | Active Members | Retired Members | Beneficiaries of Retired Members | Survivors of Deceased Members | Disabled Members | Deferred Vested Members |
|---|---|---|---|---|---|---|
| **As of June 30, 2025** | **64** | **73** | **20** | **0** | **1** | **3** |
| New hires | 6 | | | | | |
| Rehires | | | | | | |
| Movement between plans | 0 | | | | | |
| New retirees | (4) | 6 | | | | (2) |
| New beneficiaries due to retirements | | | 0 | | | |
| New deferred vested members | (1) | | | | | 1 |
| Non-vested terminations | 0 | | | | | |
| Refunds | 0 | | | | | |
| Deaths, no future benefits | 0 | (2) | (1) | | | |
| Deaths with a survivor or beneficiary | | 0 | 0 | | | |
| Benefits expired | | | | | | |
| Data correction | | | | | | |
| **As of June 30, 2026** | **65** | **77** | **19** | **0** | **1** | **2** |

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# APPENDIX A — MEMBERSHIP INFORMATION

Former disabled retirees who have changed to service retirement as mandated by the Plan are still included as disabled members. Deferred vested members include those indicated to us in the data who have terminated and are eligible for a future annuity.

In preparing this report, we relied on data provided by MainePERS as modified following the procedures outlined in the State of Maine Data Processing Notebook. Adjustments to the data are made based on this Processing Notebook. Accuracy of the results is dependent on the completeness of the underlying information. The plan sponsor is responsible for the validity and completeness of the information provided. We believe the data provided, as modified as documented in the Processing Notebook, is sufficient for the actuarial analysis performed.

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# APPENDIX B — SUMMARY OF PROGRAM PROVISIONS

## 1. Membership

Membership is a condition of employment for all judges serving on or after December 1, 1984.

Membership ceases on the earlier of withdrawal of contributions, retirement, or death.

Judges who retired prior to December 1, 1984 are covered under a different program.

## 2. Member Contributions

Members are required to contribute 7.65% of earnable compensation. Member contributions earn annual interest at the rate adopted by the Board of Trustees each February.

## 3. Average Final Compensation

For purposes of determining benefits payable, average final compensation is the average annual rate of earnable compensation for the three years of creditable service (not necessarily consecutive) that produce the highest such average.

For active judges as of July 1, 2003, July 1, 2004, and July 1, 2010, average final compensation shall be increased to reflect missed salary increases.

## 4. Creditable Service

Creditable service includes the following:

A. All judicial service as a member after November 30, 1984,
B. All judicial service before December 1, 1984,
C. Service credited while receiving disability benefits under the Program, and
D. All service creditable under the State Employee and Teacher Program provided the member elects to have the member's and the employer's contributions on behalf of such service transferred to the Judicial Program.

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# APPENDIX B — SUMMARY OF PROGRAM PROVISIONS

## 5. Service Retirement Benefits

**ELIGIBILITY:**

**A. Eligibility for Members with at Least 10 Years of Creditable Service on July 1, 1993**

i. Eligibility for members in active service and inactive members:

25 years of creditable service.

ii. Eligibility alternative for members in active service:

Attainment of age 70 with at least one year of service immediately before retirement.

iii. Eligibility for members not in active service at retirement and not in active service on or after October 1, 1999:

Attainment of age 60 and 10 years of creditable service.

iv. Eligibility for members not in active service at retirement, but in active service on or after October 1, 1999:

Attainment of age 60 and five years of creditable service.

**B. Eligibility for Members with Less Than 10 Years of Creditable Service on July 1, 1993**

i. Eligibility for members in active service and inactive members:

25 years of creditable service.

ii. Eligibility alternative for members in active service:

Attainment of age 70 with at least one year of service immediately before retirement.

iii. Eligibility for members not in active service at retirement and not in active service on or after October 1, 1999:

Attainment of age 62 with 10 years of creditable service.

iv. Eligibility for members in active service on or after October 1, 1999:

Attainment of age 62 and five years of creditable service.

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# APPENDIX B — SUMMARY OF PROGRAM PROVISIONS

## C. Eligibility for Members with Less Than Five Years of Creditable Service on July 1, 2011

i. Eligibility for members in active service and inactive members:

25 years of creditable service.

ii. Eligibility alternative for members in active service:

Attainment of age 70 with at least one year of service immediately before retirement.

iii. Eligibility for members not in active service at retirement and not in active service on or after October 1, 1999:

Attainment of age 65 with 10 years of creditable service.

iv. Eligibility for members in active service on or after October 1, 1999:

Attainment of age 65 and five years of creditable service.

Benefit Sum of:

1. for service after November 30, 1984 and before July 1, 1998 and creditable service allowed under Section 1302(3), 2% of average final compensation multiplied by years of service,

2. for service on or after July 1, 1998, 3% of average final compensation multiplied by years of service, and

3. for judicial service prior to December 1, 1984, 75% of November 30, 1984 salary for the position held at retirement, pro-rated for prior service less than 10 years.

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# APPENDIX B — SUMMARY OF PROGRAM PROVISIONS

The benefit is reduced for retirement before age 60 at the approximate rates listed in the table below, for members with at least 10 years of creditable service on July 1, 1993.

| Age | Reduction | Age | Reduction |
|---|---|---|---|
| 45 | 29.3% | 53 | 16.6% |
| 46 | 28.0 | 54 | 14.6 |
| 47 | 26.6 | 55 | 12.5 |
| 48 | 25.2 | 56 | 10.3 |
| 49 | 23.6 | 57 | 7.9 |
| 50 | 22.0 | 58 | 5.4 |
| 51 | 20.3 | 59 | 2.8 |
| 52 | 18.5 | 60 | 0.0 |

The benefit is reduced for retirement before age 62 by 6% for each year the member's age is less than age 62, if less than 10 years creditable service on July 1, 1993, but at least five years creditable service on July 1, 2011.

The benefit is reduced for retirement before age 65 by 6% for each year the member's age is less than age 65, if less than five years of creditable service on July 1, 2011.

Maximum Benefit: Total benefit cannot exceed 70% of average final compensation except as provided under the minimum benefit provision.

Minimum Benefit: For a judge in service and age 50 or older on December 1, 1984, 75% of salary on June 30, 1984 for the position held at retirement, increased by 6% per year from June 30, 1984 to June 30, 1989 or retirement date if earlier, and increased beyond June 30, 1989 by the cost-of-living increase granted the previous September. Minimum benefit for all members is $100 per month if at least 10 years of creditable service.

Form of Payment: Life annuity, except for a judge in service and age 50 before December 1, 1984, 50% joint and survivor annuity to surviving spouse.

## 6. Disability Retirement Benefits Other Than No-Age Benefits (See Item 7)

Eligibility: Disabled as defined in the Judicial Retirement Program statutes prior to normal retirement age, employed prior to October 16, 1992 and did not elect the No-Age Disability Benefits, and either disabled in the line of duty or disabled with at least five years of creditable service.

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# APPENDIX B — SUMMARY OF PROGRAM PROVISIONS

Benefit: 66⅔% of average final compensation, reduced by employment earnings over the specified statutory limit, and to the extent that the benefit, in combination with Workers' Compensation and Social Security, exceeds 80% of average final compensation.

Form of Payment: Payment begins upon the termination of service and ceases on cessation of disability or after two years, unless the member is unable to engage in any substantially gainful activity, in which case payments cease on the earlier of age 70 or the date that the service retirement benefit equals or exceeds the disability benefit.

Conversion to Service Retirement: During the period of disability, service is credited, and average final compensation is increased at the same rate as any cost-of-living adjustments for which the member is eligible (not subject to the COLA Cap) (see item 12). On the date when service benefits reach a level of 66⅔% of average final compensation or at age 70, if earlier, the disability converts to a service retirement benefit based on service and average final compensation at that time.

## 7. No-Age Disability Retirement Benefits

Eligibility: Disabled as defined in the Judicial Retirement Program statutes, employed on or after October 16, 1992 or employed prior to October 16, 1992, and elected the provisions of No-Age Disability, and either disabled in the line of duty or disabled with at least five years of creditable service.

Benefit: 59% of average final compensation, reduced by employment earnings over the specified statutory limit, and to the extent that the benefit, in combination with Workers' Compensation and Social Security, exceeds 80% of average final compensation. A member in service on November 30, 1984 may elect benefits applicable for retirement before December 1, 1984.

Form of Payment: Payment begins upon the termination of service and ceases on cessation of disability or after two years, unless the member is unable to engage in any substantially gainful activity, in which case payments cease on the date the service retirement benefit equals or exceeds the disability benefit.

Conversion to Service Retirement: During the period of disability, service is credited, and average final compensation is increased at the same rate as any cost-of-living adjustments for which the member is eligible (not subject to the COLA Cap) (see item 12). On the date when service benefits reach a level of 59% of average final compensation, the disability benefit converts to a service retirement benefit based on service and average final compensation at that time.

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# APPENDIX B — SUMMARY OF PROGRAM PROVISIONS

## 8. Pre-Retirement Ordinary Death Benefits

Eligibility: Death while active, inactive eligible to retire, or disabled not resulting from an injury received in the line of duty.

Benefit: Designated beneficiary, spouse, children, or parents entitled to benefit calculated as if the deceased member had retired under Option 2 (see item 13); however, the beneficiary may elect survivor benefits payable to a surviving spouse, dependent children, parent, or other designated beneficiaries in monthly amounts varying by the status of beneficiary and number of eligible survivors. Otherwise, accumulated contributions with interest are payable to the designated beneficiary, spouse, children, older parents, or estate.

Minimum Benefit: For a judge in service prior to December 1, 1984, one-half of the judge's retirement benefit determined on date of death, payable to the spouse and/or dependent children.

## 9. Pre-Retirement Accidental Death Benefits

Eligibility: Death while active or disabled resulting from an injury received in the line of duty.

Benefit:

- If the member leaves no dependent children, two-thirds of the member's average final compensation to the surviving spouse until death.
- If the member is survived by a spouse who has the care of dependent children of the member, the surviving spouse shall receive an annual sum equal to the member's average final compensation while having the care of dependent children. When there are no longer any dependent children, the surviving spouse shall receive two-thirds of the member's average final compensation until death.
- If the member is survived by a spouse who does not have the care of the member's dependent children, the surviving spouse and dependent children shall share equally an annual sum equal to the member's average final compensation. When there are no longer any dependent children, the surviving spouse shall receive two-thirds of the member's average final compensation until death.
- If the member leaves no spouse, the dependent children shall share an annual amount equal to the member's average final compensation. Benefits will cease when the last dependent child no longer meets the definition of "dependent child."

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# APPENDIX B — SUMMARY OF PROGRAM PROVISIONS

## 10. Termination Benefit

Eligibility: Termination of service other than by retirement or death with at least five years of creditable service.

Benefit: The member's choice of a refund of the accumulated contributions with interest or a retirement benefit using creditable service and average final compensation as of the date of termination, deferred to normal retirement age.

## 11. Refund of Contributions

Eligibility: Termination of service other than by retirement or death with less than five years of creditable service.

Benefit: Refund of member's accumulated contributions with interest.

## 12. Cost-of-Living Adjustments (COLA)

All service and disability retirement and survivor benefits are adjusted each year that there is a percentage change in the Consumer Price Index (CPI), based on the Index. If the percentage change is negative, then no adjustment is made in that year. In subsequent years, the adjustment that would have been made will be adjusted downward to the extent necessary to recoup the full actuarial value of not having made the previous year's negative adjustment. This process of adjustment may occur over a multi-year period if needed to recoup the full value of negative changes in the Index.

Cost-of-living adjustments (COLA) are effective September 1 of each year and are applied to that portion of the benefit that is not in excess of a COLA Base whose value grows annually with the same adjustment as the COLA (see values below) for all benefits that have been in payment for at least 12 months as of that date. The maximum annual increase, or COLA Cap, is three percent. Average final compensation used in determining disability benefits for disabled members is similarly adjusted for purposes of determining the recipient's service retirement benefit if and when the recipient moves to service retirement.

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# APPENDIX B — SUMMARY OF PROGRAM PROVISIONS

COLA Base History: (value as of September 1 of listed year when COLA effective):

| Year | COLA Base | Year | Cola Base |
|---|---|---|---|
| 2014 | $20,000.00 | 2021 | $22,947.11 |
| 2015 | $20,420.00 | 2022 | $24,186.25 |
| 2016 | $20,940.71 | 2023 | $24,911.84 |
| 2017 | $21,474.70 | 2024 | $25,659.20 |
| 2018 | $21,818.30 | 2025 | $26,428.98 |
| 2019 | $22,451.03 | 2026 | $27,142.56 |
| 2020 | $22,810.25 | | |

In 2022, Special legislation was passed to pay an additional one percent COLA above the maximum COLA Cap of three percent. In addition, the COLA Base was increased by the full CPI change of 5.4%.

Members who did not have 10 years of service on July 1, 1993 will begin receiving the cost-of-living adjustments at the later of 12 months after their normal retirement age and the first September 1 following a minimum of 12 months of being in receipt of their benefit.

Minimum benefits are increased 6% per year from July 1985 through June 1989 and as described above thereafter.

## 13. Methods of Payment of Service Retirement Benefits

At retirement, a member who retires with a benefit must choose from the following methods of payment:

Full Benefit: Unadjusted benefit paid for the life of the member only.

Option 1: Cash refund equal to the remaining member contribution balance, if any, at the date of death (where the member contribution balance has been reduced each month by the portion of the monthly benefit deemed to be provided by member contributions).

Option 2: 100% joint and survivor annuity.

Option 3: 50% joint and survivor annuity.

Option 4: Joint and survivor annuity at any percentage other than those available under Option 2 and Option 3.

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# APPENDIX B — SUMMARY OF PROGRAM PROVISIONS

Option 5: Designated percentage of the benefit (not less than 51%) payable to the member, with the remaining percentage (the two to equal 100%) payable to a beneficiary (may only be a sole beneficiary) while both are alive. At the death of either, the higher of the two percentages is paid to the survivor for the survivor's life, and the lower-percentage benefit ceases to be paid.

Option 6: 100% joint and survivor annuity (Option 2) with pop-up*.

Option 7: 50% joint and survivor annuity (Option 3) with pop-up*.

Option 8: Option 4 with pop-up*.

* The "pop-up" feature attached to a given Option means that in the case of a beneficiary predeceasing the member, the member's benefit will be revised prospectively to the amount that the benefit would have been had the member selected Full Benefit payment upon retirement.

## 14. Program Changes Since Prior Valuation

None.

This Appendix B is intended to be a brief summary of provisions. In the event of a dispute, applicable statutes and administrative policy supersede this report description.

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# APPENDIX C — ACTUARIAL ASSUMPTIONS AND METHODS

## A. Actuarial Assumptions

### 1. Annual Rate of Investment Return

| | |
|---|---|
| Judicial | 6.50% |

Rate is net of both administrative and investment expense.

### 2. LDROM Discount Rate

| | |
|---|---|
| Judicial | 4.85% |

### 3. Cost-of-Living Adjustment (COLA) Assumed Rate

| | |
|---|---|
| Judicial | 2.20% |

### 4. Annual Rate of Individual Salary Increase

| | |
|---|---|
| Judicial | 3.00% |

### 5. Sample Rates of Termination (% at Selected Ages)

| Age | Termination Rate |
|---|---|
| 25 | 7% |
| 30 | 6 |
| 35 | 5 |
| 40 | 4 |
| 45 | 3 |
| 50 | 2 |
| 55 | 1 |

Non-vested members are assumed to take a refund of contributions with interest. Once vested, the member is assumed to elect the greater of the deferred vested benefit or a refund of member contributions with interest based on present value at the time of termination.

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# APPENDIX C — ACTUARIAL ASSUMPTIONS AND METHODS

## 6. Sample Rates of Mortality for Healthy Annuitant Lives at Selected Ages (number of deaths per 10,000 members)

| | Showing values in 2026 | |
|---|---|---|
| Age | Male | Female |
| 50 | 32 | 28 |
| 55 | 46 | 34 |
| 60 | 70 | 45 |
| 65 | 100 | 63 |
| 70 | 151 | 105 |
| 75 | 262 | 195 |
| 80 | 486 | 375 |
| 85 | 899 | 733 |
| 90 | 1,651 | 1,342 |
| 95 | 2,685 | 2,208 |

Rates are based on 112.7% and 117.3% of the 2016 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, respectively, for males and females. The rates are projected generationally using the published IRS-Adjusted MP-2021 scale.

## 7. Sample Rates of Mortality for Active Lives at Selected Ages (number of deaths per 10,000 members)

| | Showing values in 2026 | |
|---|---|---|
| Age | Male | Female |
| 20 | 4 | 1 |
| 25 | 5 | 1 |
| 30 | 7 | 2 |
| 35 | 8 | 3 |
| 40 | 11 | 5 |
| 45 | 14 | 6 |
| 50 | 18 | 9 |
| 55 | 26 | 13 |
| 60 | 41 | 21 |
| 65 | 59 | 31 |

*5% of deaths assumed to arise out of and in the course of employment.*

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# APPENDIX C — ACTUARIAL ASSUMPTIONS AND METHODS

Rates aIre based on 119.9% and 101.0% of the 2016 Public Plan General Benefits-Weighted Employee Mortality Table, respectively, for males and females. These rates are generationally projected using the same version of the MP-2021 scale as described in the healthy annuitant mortality.

### 8. Sample Rates of Mortality for Disabled Annuitant Lives at Selected Ages (number of deaths per 10,000 members)

| | Showing values in 2026 | |
|---|---|---|
| Age | Male | Female |
| 25 | 42 | 13 |
| 30 | 40 | 22 |
| 35 | 44 | 34 |
| 40 | 56 | 47 |
| 45 | 75 | 62 |
| 50 | 99 | 89 |
| 55 | 146 | 137 |
| 60 | 229 | 217 |
| 65 | 275 | 235 |
| 70 | 315 | 273 |

Rates are based on 114.5% and 127.7% of the 2016 Public Plan Non-Safety Benefits-Weighted Disabled Retiree Mortality Table, respectively, for males and females. These rates are generationally projected using the same version of the MP-2021 scale described in the healthy annuitant mortality.

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# APPENDIX C — ACTUARIAL ASSUMPTIONS AND METHODS

## 9. Sample Rates of Mortality for Contingent Survivor Lives at Selected Ages (number of deaths per 10,000 members)

| | Showing values in 2026 | |
|---|---|---|
| Age | Male | Female |
| 45 | 57 | 27 |
| 50 | 75 | 30 |
| 55 | 84 | 43 |
| 60 | 103 | 64 |
| 65 | 130 | 91 |
| 70 | 180 | 135 |
| 75 | 293 | 216 |
| 80 | 520 | 377 |
| 85 | 915 | 691 |
| 90 | 1,601 | 1,251 |

Rates are based on 98.8% and 110.6% of the 2016 Public Plan Contingent Survivor Mortality Table, respectively, for males and females. These rates are generationally projected using the same version of the MP-2021 model as described in the healthy annuitant mortality.

## 10. Sample Rates of Retirement at Selected Ages

| Age | NRA 62 | NRA 65 |
|---|---|---|
| 62 | 10% | NA |
| 63 | 25% | NA |
| 64 | 40% | NA |
| 65 | 30% | 20% |
| 66 | 35% | 25% |
| w67 | 25% | 25% |
| 68 | 20% | 20% |
| 69 | 35% | 40% |
| 70 | 25% | 15% |
| 71 | 15% | 30% |
| 72 | 25% | 65% |
| 73-74 | 15% | 15% |
| 75+ | 100% | 100% |

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# APPENDIX C — ACTUARIAL ASSUMPTIONS AND METHODS

In the case of judicial employees, NRA 60 refers to those who had accrued at least 10 years of service by July 1, 1993 – there are no longer active members in this group. NRA 62 refers to those who had not accrued at least 10 years of service by July 1, 1993 or were hired after that date but had five years of service by July 1, 2011. NRA 65 refers to those who did not have five years of service by July 1, 2011.

### 11. Disability Assumption

No disability incidents are assumed.

### 12. Family Composition Assumptions

80% of male active members are assumed to be married and have two children born when the member is 30 and 34; children are assumed dependent until age 18; a female spouse is assumed to be two years younger than a male member; member is assumed to have no dependent parents.

50% of female active members are assumed to be married and have two children born when the member is 28 and 32; children are assumed dependent until age 18; a male spouse is assumed to be one year older than a female member; member is assumed to have no dependent parents.

An unmarried member is assumed to have beneficiaries entitled to benefits worth 80% as much as those of married members' beneficiaries.

### 13. Technical and Miscellaneous Assumptions

Decrement Timing: Middle of the valuation year.

Pay Increase Timing: Salary provided is treated as the rate of pay as of the valuation date. Annual increases are applied as of the beginning of each subsequent valuation.

Member Contribution Interest Rate: Reflect actual historical member contribution interest rates from 1970 through the valuation; future contribution interest assumed to equal the inflation assumption of 2.75%.

### 14. Rationale for Assumptions

The demographic assumptions were adopted by the Board of Trustees at their March 12, 2026, meeting. The demographic assumptions adopted were based on an experience study covering the period from July 1, 2020 through June 30, 2025

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# APPENDIX C — ACTUARIAL ASSUMPTIONS AND METHODS

The economic assumptions were adopted by the Board of Trustees at their June 11, 2026 meeting. The economic assumptions adopted were based on an experience study of economic factors through May 2026 along with advice of the MainePERS investment consultants.

In our professional judgment, the combined effect of the assumptions has no significant bias.

The LDROM discount rate is the single equivalent rate determined by matching System cash flows to US Treasury Securities yields as of the measurement date as published by the Federal Reserve.

## 15. Assumption Changes Since Last Valuation

The compensation increase, mortality, retirement, and family composition assumptions were updated based on the results of the most recent experience study.

The LDROM discount rate was updated to 4.85% based on Treasury yields as of June 30, 2026.

## 16. Rationale for Change in Actuarial Assumptions

The demographic assumptions changes are based on an experience study covering the period from July 1, 2020 through June 30, 2025. Please see the July 2026 experience study report for the rationale for the changes.

## 17. Disclosure for Reasonable Actuarially Determined Contribution Method

The rates determined in the ratemaking process and shown in Table I-2 meet the requirements of a reasonable ADC as defined by the Actuarial Standards of Practice. The actuarial methods used to determine the reasonable ADC have been selected to balance benefit security, intergenerational equity, and stability of contributions. The selection of the actuarial methods has taken into account the demographics of plan members, the funding goals and objectives of the Board, and the need to accumulate assets to make benefit payments when due. The Actuarially Determined Contribution disclosed in this report represents a reasonable actuarially determined contribution in accordance with Actuarial Standard of Practice (ASOP) No. 4.

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# APPENDIX C — ACTUARIAL ASSUMPTIONS AND METHODS

### 18. Disclosure of Models Used

ProVal: Cheiron utilizes ProVal, an actuarial valuation software leased from Winklevoss Technologies (WinTech) to calculate the liabilities, normal costs, and projected benefit payments. We have relied on WinTech as the developer of ProVal. We have reviewed ProVal and have a basic understanding of it and have used ProVal in accordance with its original intended purpose. We have not identified any material inconsistencies in assumptions or output of ProVal that would affect this actuarial valuation.

## B. Actuarial Methods

### 1. Funding and LDROM Cost Method

The Entry Age Normal Actuarial Cost Method is used to determine costs. Under this cost method, the total employer contribution rate consists of two elements: the employer normal cost rate and the Unfunded Actuarial Liability (UAL) rate.

Under this method, the actuarial present value of the projected benefits of each active included in the valuation is allocated on a level basis over the earnings of the individual between entry age and assumed exit age(s). The portion of this actuarial present value allocated to the year beginning on the valuation date is called the normal cost. For each active, the normal cost is determined by taking the value, as of entry age into the Program, of the member's projected benefits, reduced by the value of future member contributions, and then dividing it by the value, also as of the member's entry age, of the member's expected future salary. This rate is then multiplied by the member's salary at the valuation date to produce the normal cost for each member, which is then aggregated across all members to get the total normal cost for the Program. This total normal cost is then divided by the total salary for the Program at the valuation date to get the normal cost rate for the Program.

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# APPENDIX C — ACTUARIAL ASSUMPTIONS AND METHODS

The portion of the actuarial present value not provided for at the valuation date by the actuarial present value of the future normal costs is called the Actuarial Liability. The Unfunded Actuarial Liability is defined as the total Actuarial Liability at the valuation date less the actuarial value of the Program's assets at the valuation date. Contributions are made to fund this Unfunded Actuarial Liability (UAL). The UAL amortization rate for this Program is developed by amortizing the unfunded liability over an open 10-year period, assuming these amortization payments increase over the previous year at a rate of 2.75% per year. The resulting amortization for the year beginning on the valuation date is then divided by the total payroll for the Program to develop the UAL amortization rate. Amortization payments are assumed to be made in each pay period. All assumption changes and gain/losses are included in the UAL amortization except for Program changes that are fully funded at the time of implementation.

The total rate for the Program is produced by adding the normal cost rate and the UAL amortization rate, subject to the requirement that the total rate cannot be less than 0%.

By using an open amortization period, this cost method results in the expectation that any unfunded liability in the Program as of a valuation date will never be fully reduced to zero if all of the valuation assumptions are exactly met.

### 2. Asset Valuation Method

For purposes of determining the State contributions to the Program and the Program's funded ratio, we use an Actuarial Value of Assets. The asset adjustment method dampens the volatility in asset values that could occur because of fluctuations in market conditions. Use of an asset smoothing method is consistent with the long-term nature of the actuarial valuation process.

In determining the Actuarial Value of Assets, we calculate an expected actuarial value based on the cash flows for the year and imputed returns at the actuarial assumption. This expected value is compared to the actual fair value at the valuation date and one-third of the difference is added to the preliminary actuarial value to arrive at the final actuarial value.

### 3. FASB ASC 960 Cost Method

The cost method for valuation of liabilities for FASB ASC 960 purposes is the Unit Credit Cost Method. This is one of a family of valuation methods known as accrued benefits methods. The chief characteristic of accrued benefits methods is that the funding pattern follows the pattern of benefit accrual. The accrued liability, which is determined for each Participant as of each valuation date, represents the actuarial present value of each Participant's benefit earned prior to the valuation date.

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# APPENDIX C — ACTUARIAL ASSUMPTIONS AND METHODS

## 4. Method Changes Since Last Valuation

None.

## 5. Rationale for Change

N/A.

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# APPENDIX D — GLOSSARY OF GASB TERMS

## 1. Actuarially Determined Contribution

A target or recommended contribution for the reporting period, determined in conformity with Actuarial Standards of Practice based on the most recent measurement available when the contribution for the reporting period was adopted.

## 2. Actuarial Valuation Date

The date as of which an actuarial valuation is performed. This date may be up to 24 months prior to the measurement date and up to 30 months prior to the employer's reporting date.

## 3. Deferred Inflow of Resources

An acquisition of net assets by a government employer that is applicable to a future reporting period. In the context of GASB 68, these are experience gains on the Total Pension Liability, assumption changes reducing the Total Pension Liability, or investment gains that are recognized in future reporting periods.

## 4. Deferred Outflow of Resources

A consumption of net assets by a government employer that is applicable to a future reporting period. In the context of GASB 68, these are experience losses on the Total Pension Liability, assumption changes increasing the Total Pension Liability, or investment losses that are recognized in future reporting periods.

## 5. Entry Age Actuarial Cost Method

The actuarial cost method required for GASB Nos. 67 and 68 calculations. Under this method, the actuarial present value of the projected benefits of each individual, included in an actuarial valuation, is allocated on a level basis over the earnings of the individual between entry age and assumed exit ages. The portion of this actuarial present value allocated to a valuation year is called the Service Cost. The portion of this actuarial present value not provided for at a valuation date by the actuarial present value of future service costs is called the Total Pension Liability.

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# APPENDIX D — GLOSSARY OF GASB TERMS

## 6. Measurement Date

The date as of which the Total Pension Liability and Program Fiduciary Net Position are measured. The Total Pension Liability may be projected from the Actuarial Valuation Date to the Measurement Date. The Measurement Date must be the same as the Reporting Date for the Program.

## 7. Net Pension Liability

The liability of employers and non-employer contributing entities for employees for benefits provided through a defined benefit pension plan. It is calculated as the Total Pension Liability less the Program Fiduciary Net Position.

## 8. Program Fiduciary Net Position

The fair or Market Value of Assets.

## 9. Reporting Date

The last day of the Program or employer's fiscal year.

## 10. Service Cost

The portion of the actuarial present value of projected benefit payments that is attributed to the current period of employee service in conformity with the requirements of GASB Nos. 67 and 68. The Service Cost is the normal cost calculated under the Entry Age Actuarial Cost Method.

## 11. Total Pension Liability

The portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service in conformity with the requirements of GASB Nos. 67 and 68. The Total Pension Liability is the Actuarial Liability calculated under the Entry Age Actuarial Cost Method. This liability is not an appropriate measurement of the settlement liability of the Program.

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CHEIRON Classic Values, Innovative Advice

# Maine Public Employees Retirement System Consolidated Plan for Participating Local Districts Actuarial Valuation Report as of June 30, 2026

**Produced by Cheiron**

**October 2026**

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# LETTER OF TRANSMITTAL

October 8, 2026

Board of Trustees
Maine Public Employees Retirement System
PO Box 349
Augusta, Maine 04332-0349

Dear Members of the Board:

We are pleased to submit the June 30, 2026 Actuarial Valuation Report for the Consolidated Plan for Participating Local Districts of the Maine Public Employees Retirement System (MainePERS or System).

The purpose of this report is to present the annual actuarial valuation of the Consolidated Plan for Participating Local Districts (Plan) of the Maine Public Employees Retirement System. This report contains information on assets, liabilities, and contributions of the Plan, as well as required accounting statement disclosures under the Governmental Accounting Standards Board (GASB) Statement No. 67.

In preparing our report, we relied on information, some oral and some written, supplied by the System's staff. This information includes, but is not limited to, the Plan provisions, employee data, and financial information as of the valuation date. We performed an informal examination of the obvious characteristics of the data for reasonableness and consistency in accordance with Actuarial Standard of Practice No. 23, *Data Quality*.

Future results may differ significantly from the current results presented in this report due to such factors as the following: Plan experience differing from that anticipated by the assumptions, changes in assumptions, and changes in Plan provisions or applicable law.

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

This actuarial report was prepared exclusively for MainePERS for the purposes described herein and for use by the Plan auditor in completing an audit related to the matters herein. Other users of this report are not intended users as defined in the Actuarial Standards of Practice, and Cheiron assumes no duty or liability to such other users.

Sincerely,
Cheiron

Gregory A. Reardon, FSA, EA
Principal Consulting Actuary

Bonnie Rightnour, FSA, EA
Principal Consulting Actuary

cc: Gene Kalwarski, Cheiron
Fiona Liston, Cheiron
Kathleen Weaver, Cheiron

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# FOREWORD

Cheiron has completed the Actuarial Valuation Report for the Consolidated Plan for Participating Local Districts (Plan) of the Maine Public Employees Retirement System (MainePERS or System) as of June 30, 2026. The purpose of this report is to:

1. Measure and disclose, as of the valuation date, the financial condition of the Plan,
2. Examine trends, both historical and prospective, in the condition of the Plan,
3. Assess and disclose actuarial risks of the Plan,
4. Report on the contribution rates developed in this valuation for informational purposes for the Participating Local Districts (PLDs) and members for the fiscal year (FY) 2028 in aggregate (Note: the actual contributions to be paid by PLDs and members specific to each Regular and Special Plan within the Plan for FY 2028 will be developed consistent with the ratesetting policy of the MainePERS Board of Trustees and provided under separate cover), and
5. Provide specific information required for MainePERS's financial disclosures.

An actuarial valuation establishes and analyzes assets and liabilities on a consistent basis and tracks the progress of both from one year to the next. It includes measurement of investment performance as well as an analysis of Actuarial Liability gains and losses.

**Section I** presents a summary containing our key findings, disclosing important Plan trends in recent years, and providing analysis relating to the future status of the Plan.

**Section II** assesses and discloses various actuarial risk measures of the Plan.

**Section III** contains details on various asset measures, together with pertinent performance measurements.

**Section IV** shows similar information on liability measures for various purposes, including an analysis of key changes in the measures.

**Section V** develops informational PLD and member contribution rates for the Plan in aggregate for FY 2028. (The actual rates paid for each specific Regular and Special Plan within the Plan are developed consistent with the risk-sharing framework of the MainePERS Board of Trustees and provided under separate cover.)

**Section VI** includes financial disclosure information.

Finally, we present appendices containing the following summaries:

- Plan elections that have been made by the participating local districts (PLDs) at the valuation date (Appendix A),
- Plan membership information at the valuation date (Appendix B),

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# FOREWORD

- Major benefit provisions of the Plan and the various Regular and Special Plans included in the Plan (Appendix C),
- Actuarial assumptions and methods used in the current valuation (Appendix D), and
- Terminology used in the Governmental Accounting Standards Board (GASB) disclosures (Appendix E).

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**MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS**
**ACTUARIAL VALUATION AS OF JUNE 30, 2026**

# SECTION I — BOARD SUMMARY

## General Comments

Most of the participating local districts in the State of Maine participate in this Consolidated Plan for the Participating Local Districts (Plan). The Plan offers a number of Plan options from which each Participating Local District (PLD) can choose, with each option having its own specific contribution rates to be paid by both the member and their associated PLD. Both the member contributions and the PLD contributions are paid as distinct rates that are set by the risk-sharing framework adopted by the MainePERS Board of Trustees and are applicable to payroll. Prior to the 2018 valuation, the member rates were static and set by the Board, while the PLD rates were established using the previous corridor method.

The results of this June 30, 2026 valuation will be used to develop the specific rates for both PLDs and members of each Regular and Special Plan within the Plan for FY 2028. This report develops the Actuarially Determined Plan Total Rate and the Plan-Specific Normal Cost Rates that are the basis of this process to develop the specific rates. The results of this June 30, 2026 valuation will also be used for accounting disclosures.

## Experience from July 1, 2025 through June 30, 2026 (FY 2026)

With respect to investment experience for the fiscal year ending June 30, 2026, measured on a Market Value of Assets (MVA) basis, MainePERS experienced an investment return of positive 11.43%. The June 30, 2026 MVA is more than the expected Actuarial Value of Assets (AVA) based on the assumed rate of return of 6.50%, producing a gain. Given the asset smoothing method in place, only one-third of that gain is recognized in the AVA. As a result, the AVA investment return for MainePERS was 9.17%. For this Plan, when compared to the expected AVA using Plan-specific cashflows translates to a gain for the year of $113.1 million.

With respect to liability experience, the Plan experienced a net liability loss of $143.7 million above the expected growth of $193.0 million (a 3.04% growth in total liabilities beyond expected growth). Of this increase, approximately $13.0 million was attributable to the payment of cost-of-living adjustments (COLA) exceeding the assumed COLA and approximately $75.5 million was due to salaries being higher than expected. The remaining net loss was attributable to demographic changes (retirements, termination, disability, mortality, etc.) different than expected. In addition, liabilities increased $19.2 million as a result of the net effect of assumption changes from the June 30, 2026 Experience Study approved by the Board on May 14, 2026. Finally, there was a plan change from LD 1638 that resulted in a $3.0 million increase in liabilities.

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# SECTION I — BOARD SUMMARY

For FY 2026, the resulting new UAL amortization base is a net loss of $36.8 million. This translates to a Plan total contribution rate, reflecting all Plans within the Consolidated Plan for Participating Local Districts, of 19.8%. This is an increase of 0.8% compared to the June 30, 2025 Plan total actuarially determined contribution rate of 19.0% of payroll. The Plan-Specific rates for each PLD and members of each Regular and Special Plan for each fiscal year are developed annually and provided under separate cover. The rates for FY 2026 were developed in a letter dated November 13, 2024, and the rates for FY 2027 were developed in a letter dated December 1, 2025. The Plan-Specific Rates for both the PLD and members for each Regular and Special Plan for FY 2028 based on this June 30, 2026 valuation will be provided under similar separate cover.

Note that this Total Rate differs from that tracked for the other MainePERS Programs, as it reflects contributions from both members and the employers, the PLDs in the case of this Plan. In the other Programs, the employer-only portion of the contribution is reported in the equivalent experience sections. The reason for this difference is that in this Plan, the contributions from members change with experience similar to the contributions from employers, so it makes sense to track the progress of the Total Rate.

As of the June 30, 2026 valuation, the Plan has an Unfunded Actuarial Liability (UAL) of $466.1 million based on the Actuarial Value of Assets (AVA). This represents an increase of $18.2 million from the $447.9 million AVA UAL measured as of June 30, 2025. This compares to an expected decrease in the UAL of $24.6 million. The specific factors contributing to this change are presented in Table I-1 that follows. This table has separate columns showing the components of the changes in liabilities and investments during FY 2026 as well as their combined effect on the UAL.

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MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS
ACTUARIAL VALUATION AS OF JUNE 30, 2026

# SECTION I — BOARD SUMMARY

**Table I-1**
**(Amounts in Millions)**

| | Liabilities | Assets | UAL |
|---|---|---|---|
| Value as of June 30, 2025 | $ 4,732.1 | $ 4,284.2 | $ 447.9 |
| Expected Change | 193.0 | 217.6 | (24.6) |
| Impact of Plan Changes | 3.0 | 0.0 | 3.0 |
| Impact of Assumption Changes | 19.2 | 0.0 | 19.2 |
| Impact of Contribution Timing | 0.0 | 10.0 | (10.0) |
| Recognized Investment Gain | 0.0 | 113.1 | (113.1) |
| Recognized Liability Loss | 143.7 | 0.0 | 143.7 |
| Value as of June 30, 2026 | $ 5,091.0 | $ 4,624.9 | $ 466.1 |

*This table uses the Actuarial Value of Assets. Results would be different if the market value were used.*

The remainder of this Board Summary section summarizes the Plan's historical trends, provides baseline projections of the Plan's future status, and summarizes the principal results of the valuation. These principal results compare key results between this and last year's valuations for member counts, assets and liabilities, and total contribution rates.

## Trends

It is important to take a step back from the latest results and view them in the context of the Plan's history. On the next few pages, we present a series of graphs that display key historical trends relating to the Plan's condition. In addition to considering the past, examining future possible trajectories of the Plan is also vital to understanding the current results. Baseline projections are provided in this Board Summary, and the potential variability of these results is explored further in the risk section of this report.

### Assets and Liabilities

The following graph illustrates the progress of assets and liabilities for the Plan as well as the Plan's funded ratio on an Actuarial Value of Assets (AVA) basis since June 30, 2007.

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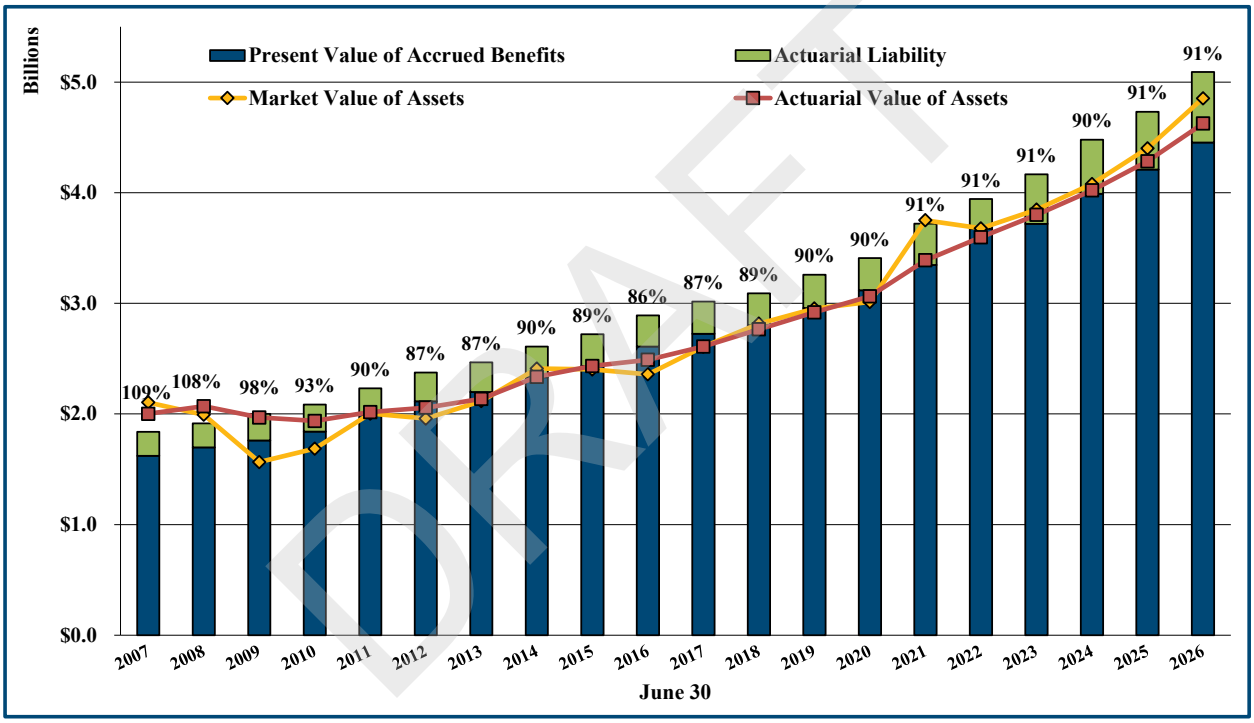
**MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS**
**ACTUARIAL VALUATION AS OF JUNE 30, 2026**

# SECTION I — BOARD SUMMARY

Liability measures are shown as bars as of June 30 of the indicated years. The Actuarial Liability (AL), the liability measure used for the Plan's funding purposes, is represented by the top of the green bars. The blue bars represent the Present Value of Accrued Benefits (PVAB). These liability measures are discussed further in Section IV. Measures of the assets are shown as lines. The AVA is shown with a red line, while the Market Value of Assets (MVA) is shown as a yellow line. The AVA divided by the AL is the AVA funded ratio that is often used in evaluating the Plan's funded status. The value of this metric at each valuation date is shown as the percentages in the graph labels.



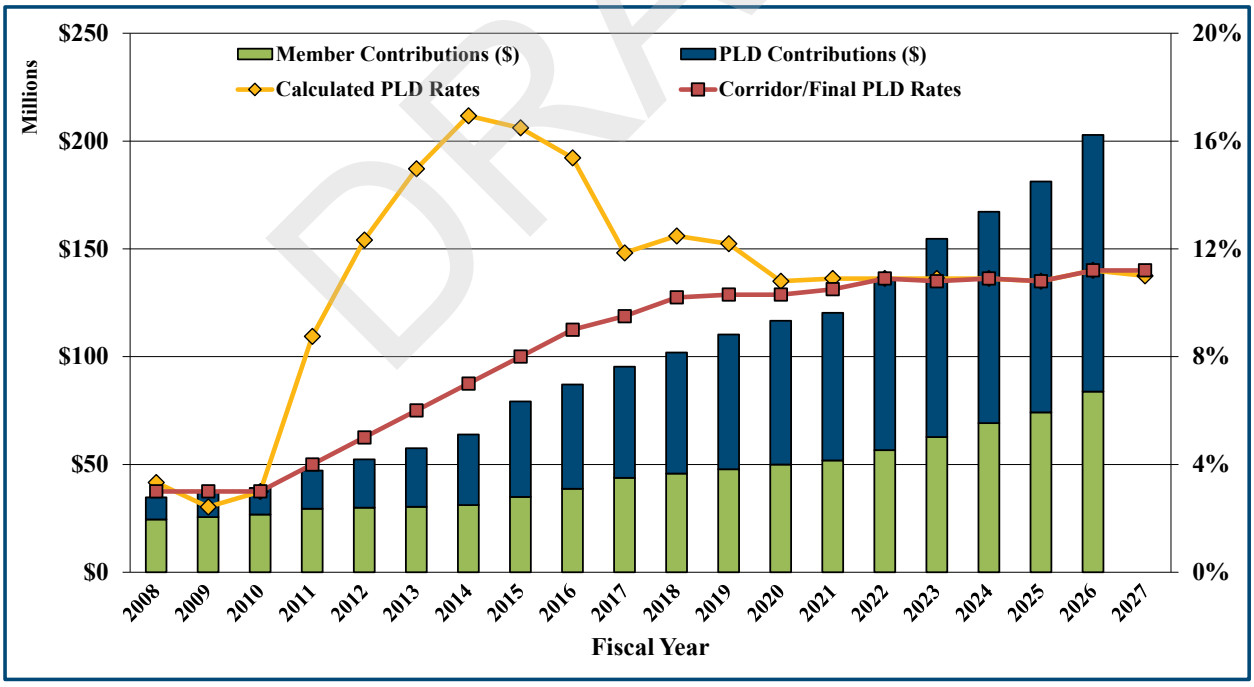

The funded ratio was over 100% for the first two years shown until the financial market events of 2008-2009 resulted in the ratio dropping below 100%. Following that drop, the ratio stabilized beginning June 30, 2011 and has stayed in the range of 86-91% since that time, currently at 90.8%. Measured on an MVA basis, the funded ratio is 95.3%, a slight increase over last year's 93.0% MVA funded ratio.

**MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS**
**ACTUARIAL VALUATION AS OF JUNE 30, 2026**

# SECTION I — BOARD SUMMARY

## CONTRIBUTIONS

The next graph shows the history of contributions to the Plan, both as dollar amounts and as percentages of payroll. The bars in this graph show the contributions made by both the PLDs and the members in dollar terms for each fiscal year (FY) as indicated by the horizontal axis since 2008. These bars are read using the left-hand axis. Through FY 2019, the yellow line shows the actuarially calculated total pooled PLD contribution rate as a percentage of payroll for the fiscal year indicated. Beginning with FY 2020, the amount shown by the yellow line is the Actuarially Determined Plan PLD Rate under the risk-sharing framework. Similarly, the red line in this graph shows the aggregate corridor contribution rate actually in effect for each year through FY 2019 and then shows the Aggregate Final PLD Rate, which reflects all adjustments from the risk-sharing framework, beginning with FY 2020. For both of these rates, which are read using the right-hand axis, we are showing the rates through FY 2027, the latest year for which the Aggregate Final PLD rate, which corresponds with the rates that will actually be paid, has been developed. Note that both the red and yellow lines represent the rates that apply to the PLDs and do not include the member rate.

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# SECTION I — BOARD SUMMARY

The significant increase in the total calculated rate from FY 2010 to FY 2014 was due primarily to investment losses sustained in the 2008-09 market events. The increases in the aggregate corridor rate during this period combined with benefit changes made progress to close the gap between these two rates through FY 2019, the last year that the method used to determine the actual contributions paid by the PLDs was the corridor method. Beginning with FY 2020, the calculated rate has been determined with the risk-sharing framework. Initially, this calculated rate (the Actuarially Determined Plan PLD Rate shown by the yellow line) was slightly above the actual final rates being paid (the Aggregate Final PLD Rate shown as the red line) as the risk-sharing framework was phased in, but beginning with the Final Rates developed based on the June 30, 2021 valuation, these two rates have converged. In addition, the allocation of the rate between PLDs and members based upon the risk-sharing framework was fully phased in beginning with the FY 2025 rates (established with the 2023 valuation). For FY 2027, rate movement was restricted so that no individual PLD or member rate went down from FY 2026, which resulted in the actual aggregate contribution rate being slightly higher than the Actuarially Determined Plan PLD Rate.

The majority of the actual PLD contribution dollars shown are based on the rates determined by the funding methodology in effect for the period, but some PLDs also pay an additional IUUAL contribution to amortize the liability specific to their members, as well as contributions related to purchases of service by members.

Through FY 2019, the member contribution rates were fixed values, ranging from 4.5% to 9.5%, as set by statute and the Board, specific to the Regular or Special Plan in which each member participates. Beginning with FY 2020, the member contribution rates are determined under the risk-sharing framework adopted by the Board as described in the General Comments section of this Board Summary. The Aggregate Final PLD Member Rate in effect for FY 2027 is 8.1%.

Note that in addition to the member contribution rates varying by the specific Plan each member is in, for those participating in Regular Plans, members with an Age 65 normal retirement age (NRA) contribute at a lower rate than those in the NRA 60 plans. See the description of these items in Section V for additional information. The specific rates by Plan for FY 2027, the most recent year currently developed, range from a low of 3.35% for the Age 65 Plan Member Rate under Plan BC to a high of 10.2% for members in Plans 1C.

The next chart compares the total contribution rate to a rate we refer to as the “tread water” rate. The tread water rate is that rate of payroll which, if contributed, would result in the UAL remaining the same in the following year if all experience exactly matched the assumptions. The tread water rate is the full normal cost plus interest on the UAL.

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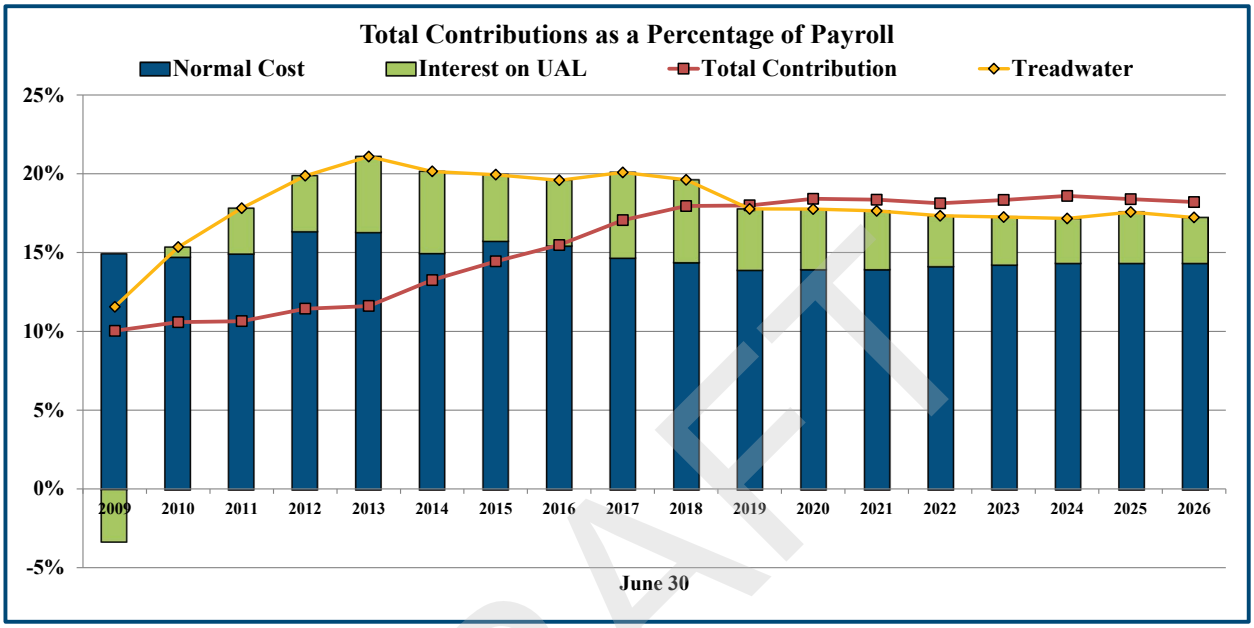
# SECTION I — BOARD SUMMARY

As can be seen in the following chart, the total contribution rate has exceeded the tread water rate since 2019.




## Baseline Projections

Our analysis of the projected financial trends for the Plan is an important part of this valuation. In this section, we project future valuation results, focusing on the previously referenced AVA funded ratio (AVA over AL), the expected Actuarially Determined Plan PLD Rate, and the expected Actuarially Determined Plan Member Rate. Here we present a baseline projection of these metrics based on all actuarial assumptions being exactly met during the projection period, including the assumed 6.50% investment return being achieved each year. In the risk section of the report, we demonstrate the sensitivity of future valuation results to deviations in actual returns from the assumed investment returns by presenting similar projections based on investments earning an average return similar to the assumed return but deviating from the assumed rate in the individual years over the 20-year projection period.

Note that in these projections, we have assumed that the PLD and member contributions received by the Plan are the actuarially determined amounts developed as of the valuation date one year prior to the beginning of each fiscal year beginning in FY 2028. These contributions are consistent with the Plan-Specific contributions developed under the risk-sharing framework.

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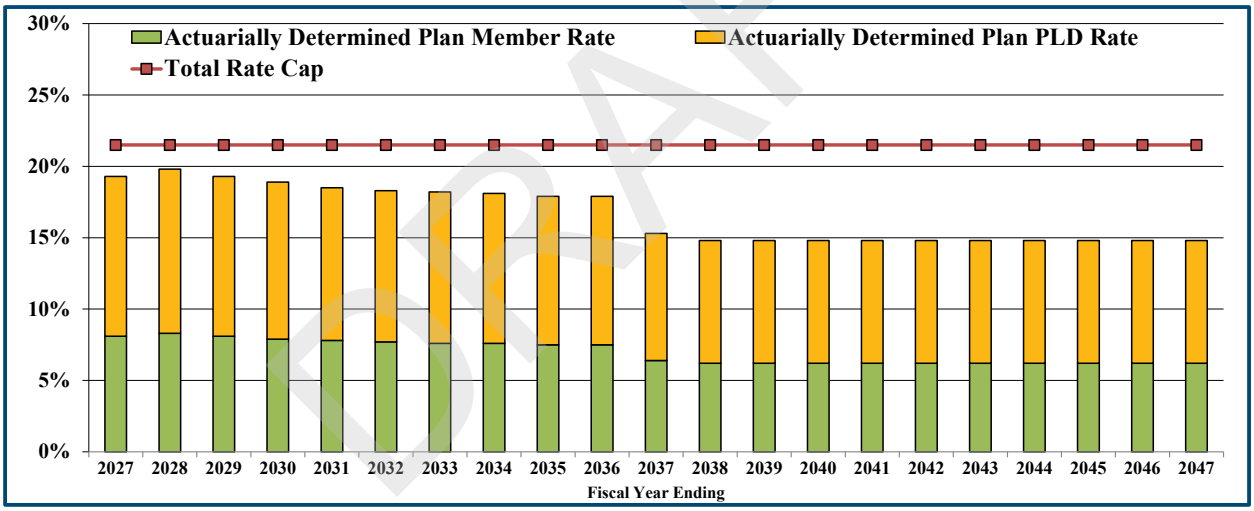
# SECTION I — BOARD SUMMARY

In addition, in these baseline projections, as well as the varying return projection scenarios in the next section, we have assumed that the Aggregate Final Total Rate is subject to a minimum equal to 100% of the total normal cost at that time, allocated 58% to the PLDs and 42% to the members. For example, based on the 15.1% total normal cost produced in this June 30, 2026 valuation, this currently results in a minimum contribution of 8.8% for the PLDs and 6.3% for the members. Actual minimums under the risk-sharing framework have not yet been adopted by the Board, but it is our understanding that the Board's intent is to have a minimum similar to this. If the actual rules differ such that the otherwise determined contributions would go below this assumed minimum contribution level, the resulting projections would vary.

In developing these projections, we have also reflected the anticipated decline in the total normal cost over time as members under the newer tier, which provides lower benefits and hence a lower normal cost, replace current members in the older tier.




The graph above shows the expected progress of the Actuarially Determined Plan Member Rate and Actuarially Determined Plan PLD Rate over the next 20 years, assuming that the Plan's assets earn 6.50% on their market value, as well as all other current assumptions being exactly met in each year of the 20-year projection period. In addition, these projected contribution rates also reflect any prior years' actual investment gains or losses that have not been fully recognized in this valuation. The green bars represent the Actuarially Determined Plan Member Rate, while the yellow bars represent the Actuarially Determined Plan PLD Rate. The combined bars thus represent the Actuarially Determined Plan Total Rate. Note that these rates represent the rates expected to be calculated for the Plan as a whole, as opposed to the Plan-Specific rates developed under the risk-sharing framework.

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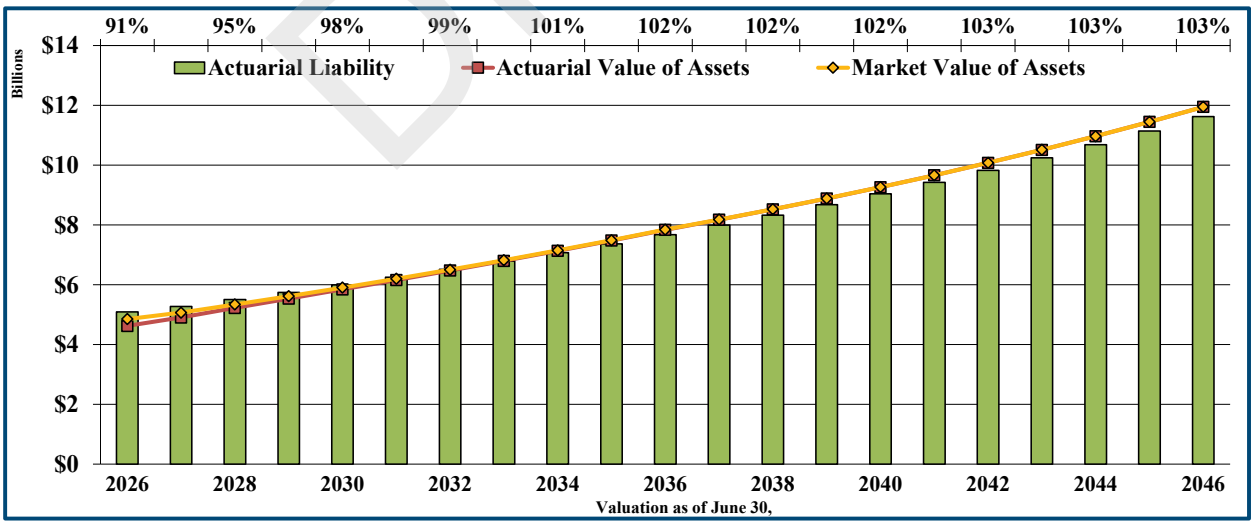
# SECTION I — BOARD SUMMARY

Assuming all assumptions are exactly met, it is projected that the contributions will decline through FY 2036 when the existing UAL will be paid off and then hover around the Plan's total normal cost rate. However, in reality, there will be gains and losses each and every year, resulting in new amortization layers (negative or positive) as well as additional layers reflecting changes such as assumption or benefit changes. This concept is explored further in the risk section of this report.

This graph also includes a red line showing the 21.5% Total Rate Cap for the Program, which is composed of 12.5% PLD Contribution Rate Cap and a 9% Member Contribution Rate Cap. In this baseline projection, the Total Rate Cap is not hit in any of the years of the projection. In years that the contributions are limited by these caps, temporary reductions in the COLA are implemented under the provisions of this Plan to make up the difference in the actuarially determined contributions and the actual contributions limited by these caps. Since the Total Rate Cap is not hit in any of the years of this baseline projection, no temporary COLA reductions are required, and thus the percentage of the COLA to be paid each year of the projection is 100%.

The graph below shows the projected AVA funded ratio (AVA divided by AL) over the next 20 years in this baseline scenario. It shows that the Plan's AVA funded ratio is projected to improve from the starting level of 91% on June 30, 2026 to 103% on June 30, 2046. The Plan's funded ratio exceeds 100% due to the lag in the development of contributions and when they are paid as well as the assumed minimum contributions to the Plan. Note that if these ratios used Market Value of Assets (MVA), the funded ratios would be different.

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MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM CONSOLIDATED PLAN FOR
PARTICIPATING LOCAL DISTRICTS
ACTUARIAL VALUATION AS OF JUNE 30, 2026

# SECTION I — BOARD SUMMARY

## Principal Results Summary

The last section of this Board Summary presents a summary of the principal results of the valuation, comparing key results between this and last year's valuations for member counts, assets, and liabilities, and contribution rates.

**Table I-2**
**Summary of Principal Results PLD Consolidated Retirement Plan**

| Valuation as of | June 30, 2025 | June 30, 2026 | % Change |
|---|---|---|---|
| **Member Counts** | | | |
| Active Members | 14,066 | 14,474 | 2.9% |
| Retired Members | 8,339 | 8,550 | 2.5% |
| Beneficiaries of Retired Members | 2,159 | 2,181 | 1.0% |
| Survivors of Deceased Members | 161 | 163 | 1.2% |
| Disabled (Current and Former) Members | 414 | 413 | (0.2%) |
| Terminated Vested Members | 3,049 | 3,143 | 3.1% |
| Inactives Due Refunds | 10,900 | 11,230 | 3.0% |
| Total Membership | 39,088 | 40,154 | 2.7% |
| Annual Payroll of Active Members | $ 995,733,474 | $ 1,065,691,013 | 7.0% |
| Annual Payments to Benefit Recipients | $ 228,576,517 | $ 242,417,168 | 6.1% |
| **Assets and Liabilities** | | | |
| Actuarial Liability (AL) | $ 4,732,068,412 | $ 5,090,993,721 | 7.6% |
| Actuarial Value of Assets (AVA) | 4,284,151,576 | 4,624,904,111 | 8.0% |
| Unfunded Actuarial Liability (UAL) | $ 447,916,836 | $ 466,089,610 | 4.1% |
| AVA Funded Ratio (AVA/AL) | 90.5% | 90.8% | |
| MVA Funded Ratio (MVA/AL) | 93.0% | 95.3% | |
| Accrued Benefit Liability (PVAB) | $ 4,208,523,559 | $ 4,453,305,018 | 5.8% |
| Market Value of Assets (MVA) | 4,401,452,107 | 4,853,377,102 | 10.3% |
| Unfunded PVAB | $ (192,928,548) | $ (400,072,084) | (107.4%) |
| MVA Accrued Benefit Funded Ratio | 104.6% | 109.0% | |
| **Actuarially Determined Plan Total Contribution Rates** | **FY 2027** | **FY 2028** | |
| Plan Normal Cost Rate | 14.3% | 15.1% | |
| UAL Amortization Rate | 4.7% | 4.7% | |
| Actuarially Determined Plan Total Rate | 19.0% | 19.8% | |

*These Plan Total Contribution Rates are actuarially determined amounts from which the Plan-Specific member and PLD rates are determined based on the risk-sharing framework. As such, these values are informational rates developed based on the entire Plan rather than applied to any specific Plan.*

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# SECTION II — RISK ASSESSMENT AND DISCLOSURE

## Introduction

The Plan's actuarial valuation results are dependent on assumptions about future economic and demographic experience. Based on Actuarial Standards of Practice, these assumptions represent a reasonable estimate for future experience. However, actual future experience will never conform exactly to these assumptions and may differ significantly from the assumptions. This deviation is a risk that pension plan sponsors bear in relying on a pension plan's actuarial valuation results.

This section of this report is intended to identify the primary drivers of these risks, provide background information and assessments about these identified risks, and communicate the significance of these risks to this Plan.

## Identification of Risks

For this Plan, the three primary valuation results that can significantly differ from those expected are the assets, the liabilities, and the annually determined PLD and member contributions. While there are several factors that could lead to these results being different, we believe the primary risks for this Plan are:

- Investment risk,
- Longevity and other demographic risks,
- Plan change risk, and
- Assumption change risk

Other risks that we have not identified may also turn out to be significant.

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# SECTION II — RISK ASSESSMENT AND DISCLOSURE

Investment Risk is the potential for investment returns to deviate from what is expected. When actual investment returns are lower than the investment assumption used in the actuarial valuation, the unfunded liability will increase from what was expected and will require higher contributions than otherwise anticipated. But when actual returns exceed those assumed, the resulting unfunded liability measurements and actuarially determined contributions will be lower than anticipated. As seen in the historical section that follows, this has been a significant driver of deviations in the actual measurements for this Plan from those expected by the prior valuations.

Longevity and Other Demographic Risk is the potential for mortality or other demographic experience to be different than expected. Generally, longevity and other demographic risks emerge slowly over time as the actual experience deviates from expectations. In addition, the extensive number of assumptions related to longevity and other demographic experience often result in offsetting deviations contributing to the Plan's overall liability experience. As such, these risks are often dwarfed by other risks, particularly those due to the investment returns. The historical section that follows shows that this has been true for this Plan in some individual years, with the magnitude of the gains and losses from investment experience often significantly larger than the gains and losses from liability experience. During the past 10 years, the longevity and other demographic risk experience have had consistent losses in recent years, resulting in a large cumulative value over this period. The continued losses seen can be attributed largely to pay increases being higher than expected.

Plan Change Risk is the potential for the provisions of the Plan to be changed such that the funding or benefits are changed materially. In addition to the actual payments to and from the Plan being changed, future valuation measurements can also be impacted, with Plan changes leading to deviations between actual future measurements and those expected by prior valuations. The historical review section will show that plan change risk has been a driver of deviations in the actual measurements for this Plan from those expected by the valuations over the 10-year period shown, with varying significance in individual years.

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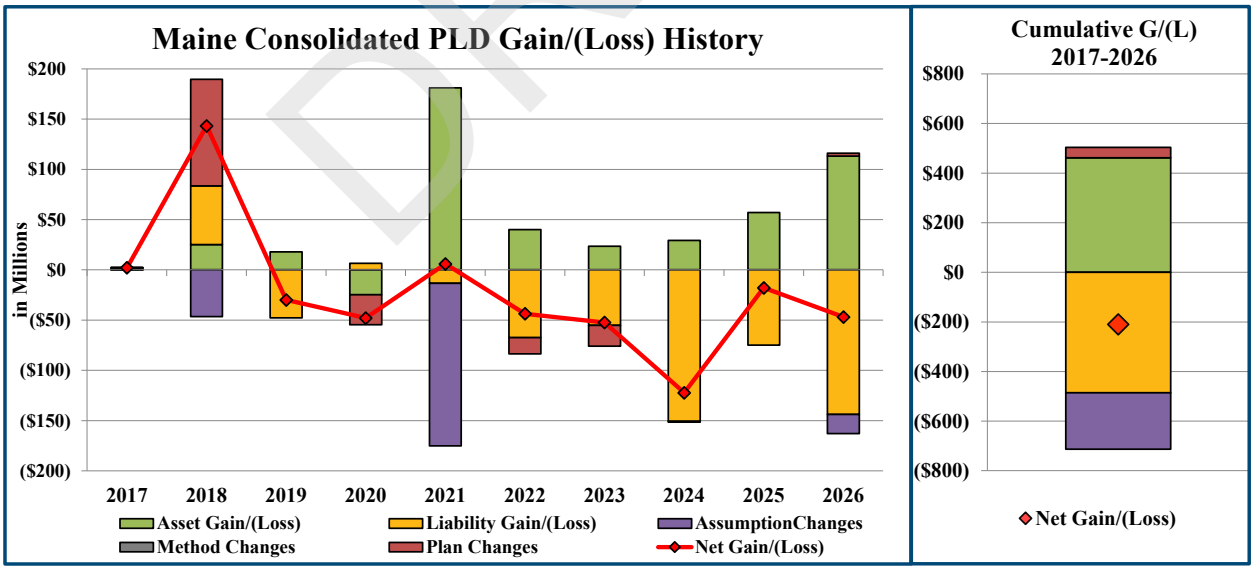
# SECTION II — RISK ASSESSMENT AND DISCLOSURE

Assumption Change Risk is the potential for the environment to change such that future valuation assumptions are adjusted to be different than the current assumptions. For example, changes in interest rates over time may result in a change in the assumed rates of return used in the valuation. A healthier workforce may result in changes in employee behavior such that retirement rates are adjusted to reflect employees working longer. Assumption change risk is an extension of the risks previously identified, but rather than capturing the risk as it is experienced, it captures the cost of changing the assumption to better anticipate future experience. The historical review section will show that assumption change risk has been a very significant risk for this Plan. In addition to changes in individual assumptions, changes to the methods used in valuing the Plan can have a significant impact on the valuation results, although over the period shown, there were no method changes.

## Historical Experience Deviations

In understanding the impact of some of these risks, it is useful to look at past experience deviations. These deviations are commonly referred to as actuarial gains and losses. The following graph shows the gains/(losses) at each valuation date between the actual and expected experience, broken down by cause, for the last 10 years.

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# SECTION II — RISK ASSESSMENT AND DISCLOSURE

## Plan Maturity Measures

As pension plans become more mature, the primary risks of adverse investments, demographic deviations, plan changes, and assumption/method changes become of more significant concern as the resulting impacts on the Plan's condition are more pronounced. As a result, it has become increasingly important to examine measures that indicate a pension plan's maturity level. With shrinking workforces, aging Baby Boomers, and retirees living longer, plans pay out more in benefits than they receive in contributions – leading to negative cash flows, excluding investment income, making it harder for a plan to recover from losses since contributions are generally made based on active payroll.

One of the main reasons risks are more amplified with a mature plan is that when plans with negative cash flows suffer investment losses, they need to liquidate enough assets to pay for benefits in excess of contributions. That means these plans will need to earn higher returns to rebuild their assets to the previous levels. Plans with negative cash flows exceeding five percent of assets are especially vulnerable to asset losses.

The balance of this section discloses and examines three maturity measures: the asset leverage ratio, the support ratio, and the net cash flow ratio.

### Asset Leverage Ratio

One important plan maturity measure is the asset leverage ratio, the Market Value of Assets divided by the plan's payroll. This measure represents the multiple of an asset loss as a percentage of payroll that would need to be contributed to make up a given change in the plan's assets. As a plan matures, its assets increase, and a greater proportion of the assets are paid out in benefit payments to members. The greater the plan's assets are relative to payroll, the more vulnerable the plan is to investment volatility in terms of the resulting contribution requirement changes.

As an example, here are two plans that both experience a 10% investment loss equaling $500 million on their existing assets of five billion dollars. Plan A's asset leverage ratio is 10, and Plan B's ratio is five. This means that Plan A has to spread, or amortize, that loss over a payroll that is half as large as Plan B's. As seen in the chart below, this results in the percentage of payroll that Plan A would need to contribute to make up the loss, double what would be required for Plan B.

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# SECTION II — RISK ASSESSMENT AND DISCLOSURE

| | ($ in millions) | |
|---|---|---|
| | Plan A | Plan B |
| Plan Assets | $ 5,000 | $ 5,000 |
| Payroll | $ 500 | $ 1,000 |
| Asset Leverage Ratio | 10.0 | 5.0 |
| 10% Loss | $ 500 | $ 500 |
| 10% Loss as % of Payroll | 100% | 50% |

The Government Finance Officers Association (GFOA), MissionSquare Research Institute, the National Association of State Retirement Administrators (NASRA), and the Center for Retirement Research at Boston College maintain the Public Plans Data database that contains almost all state plans as well as many large municipal plans, covering over 95% of the membership in public plans as well as over 95% of the assets held by public pension plans. For purposes of the charts included in this section that compare the Maine Consolidated Plan to this Public Plans database, we have excluded small Plans (defined as those that have less than $1 billion in Actuarial Liability).

The chart that follows shows the asset leverage ratios for the Plan and the large plans in this database since 2009. The colored bars represent the central 90% of the asset leverage ratios of the large plans in the database for each year. The Maine Consolidated Plan for Participating Local Districts is represented by the gold diamonds. This chart shows that the Plan's asset leverage ratio has varied over this period but had remained steady at or just under five times salary from 2013 to 2020 before increasing to 565%, or 5.65 times salary in FY 2021 with the significant increase in market values that year. The rate is now back within the previous range at 455%, or 4.55 times salary.

Note that the charts showing the Plan versus this universe of large public plans in this section show one more year for the Plan than the universe, as the 2026 numbers are not yet available for the database. When these numbers are available, we anticipate that the universe of large public plans will also show a similar trend in this ratio when compared to MainePERS.

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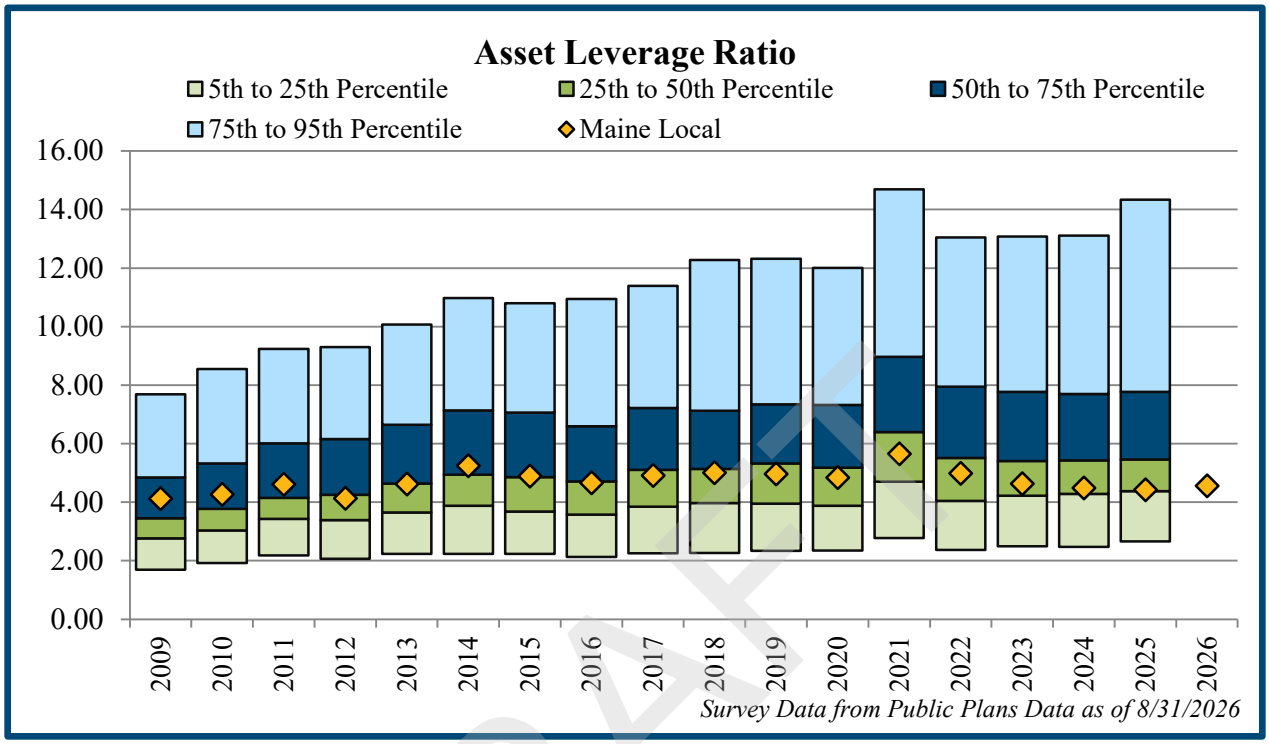
# SECTION II — RISK ASSESSMENT AND DISCLOSURE




## SUPPORT RATIO

Another commonly used measure of plan maturity is the support ratio, the ratio of in-pay and inactive members, or those receiving benefits or entitled to a deferred benefit, to the number of active members, or those currently accruing benefits in the plan. The greater this ratio, the more mature a plan is considered, with the proportion of the plan's liability represented by actives generally declining.

The chart that follows shows the support ratio over time for the Plan compared to the Public Plans Data database.

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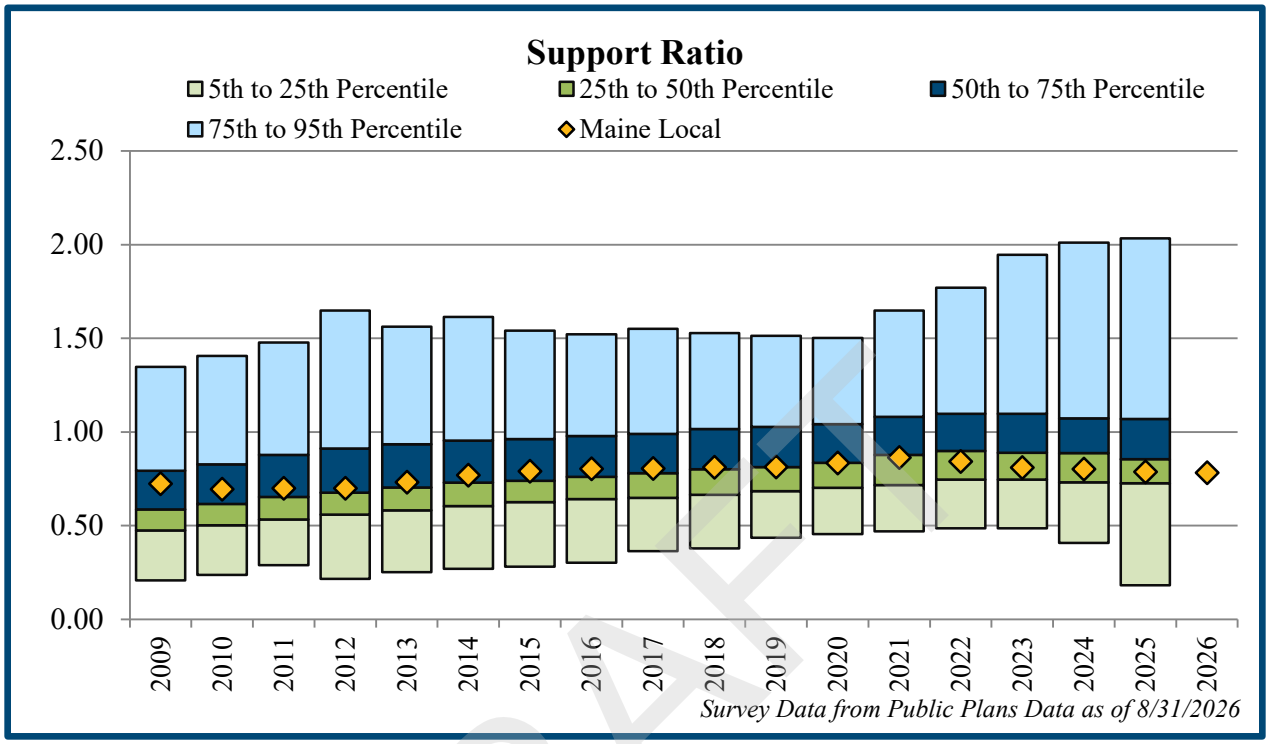
# SECTION II — RISK ASSESSMENT AND DISCLOSURE




The gold diamonds in this chart show that the Plan's support ratio was relatively stable from 2009 through 2012 at just over 0.80 and has since been generally increasing, with the current ratio as of FY 2026 being approximately 0.78. However, relative to the universe of large public plans, the Plan's support ratio has dropped from around the 70th percentile in 2009 to just above the 40th percentile in 2025. Given that this Plan has moved down relative to the universe of plans, this indicates that the Plan's rate of maturity has been a little slower than the universe of large public plans as a whole.

### NET CASH FLOW RATIO

Another measure of plan maturity is the ratio of the net cash flow (excluding investment returns) for a plan – contributions less benefits and expenses – divided by the market value of plan assets. When this ratio is significantly negative, a plan is very vulnerable to market declines. This vulnerability increases as this ratio becomes more negative.

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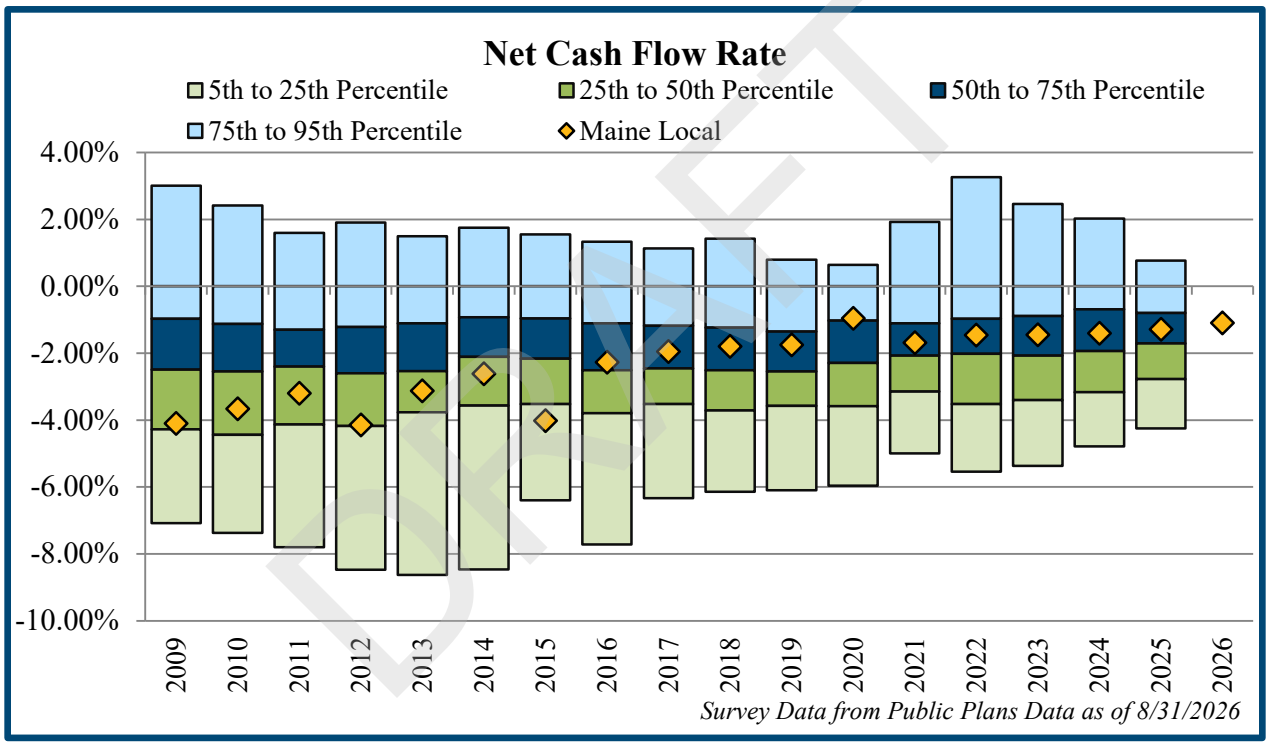
# SECTION II — RISK ASSESSMENT AND DISCLOSURE

The chart that follows shows that the Plan's net cash flow ratio has varied over this period but has generally trended gradually towards less negative rates in recent years, with the exception of a one-year jump in 2020. However, note that 2020 was an unusual year for contributions to the Plan, with a number of PLDs entering the Consolidated Plan paying additional contributions, resulting in the unusually low value for that year on this metric. In the latter half of this period, the Plan's net cash flow has transitioned from being more negative than the median plan in the universe of large public plans to less negative than the median large plan. This measure thus provides some indication that this Plan may be maturing at a pace slower than the typical large public plan.

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## Assessing Future Risk

Assessing the future risk that the expected measurements produced by the actuarial valuations will deviate from the actual values over time is complex and can never be exactly known. However, to try to assist the Board in its utilization of this report, we have attempted to develop some basic assessments of this risk in the remainder of this section, focusing on risks related to investment returns.

# SECTION II — RISK ASSESSMENT AND DISCLOSURE

Pages 7-9 have additional detail on the baseline projection produced from this valuation. It is important to note that baseline projections, while valid, are not going to occur as experience never conforms exactly to assumptions every year. As discussed in the plan maturity section, as plans become more mature, it typically becomes more difficult for them to recover from market declines even when the average investment return over an extended period is equal to the expected return. As a demonstration of this, on the following pages, we show two scenarios that are based on assuming varying returns in the future. For both of these scenarios, we based these varying return scenarios on assuming the returns for the next 20 years would equal what a portfolio invested 75% in the SP-500 index, and 25% in the Bloomberg Aggregate bond index would have earned for these historical 20-year periods as a rough proxy for the Plan's asset allocation.

Note that these scenarios reflect illustrative examples and are not intended to reflect future expectations regarding the volatility of the returns. They are instead provided to demonstrate the magnitude and range of possible volatility in returns and funded ratios as a result of volatility in investment returns.

The first of these two scenarios assumes that the returns starting in FY 2027 are similar to those experienced in the 20-year period from July 1, 1998 through June 30, 2008. The rates assumed for each year of this scenario are shown below.

| FY | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 | 2036 |
|---|---|---|---|---|---|---|---|---|---|---|
| Return | 25.3% | 17.9% | 6.6% | -8.3% | -11.3% | 2.8% | 14.4% | 6.4% | 6.3% | 17.0% |
| FY | 2037 | 2038 | 2039 | 2040 | 2041 | 2042 | 2043 | 2044 | 2045 | 2046 |
| Return | -8.1% | -18.1% | 13.2% | 24.0% | 6.0% | 15.3% | 19.6% | 6.0% | 4.5% | 13.3% |

With varying annual returns, it can be seen in the following chart that the volatility in the contributions is greater than in the baseline scenario.

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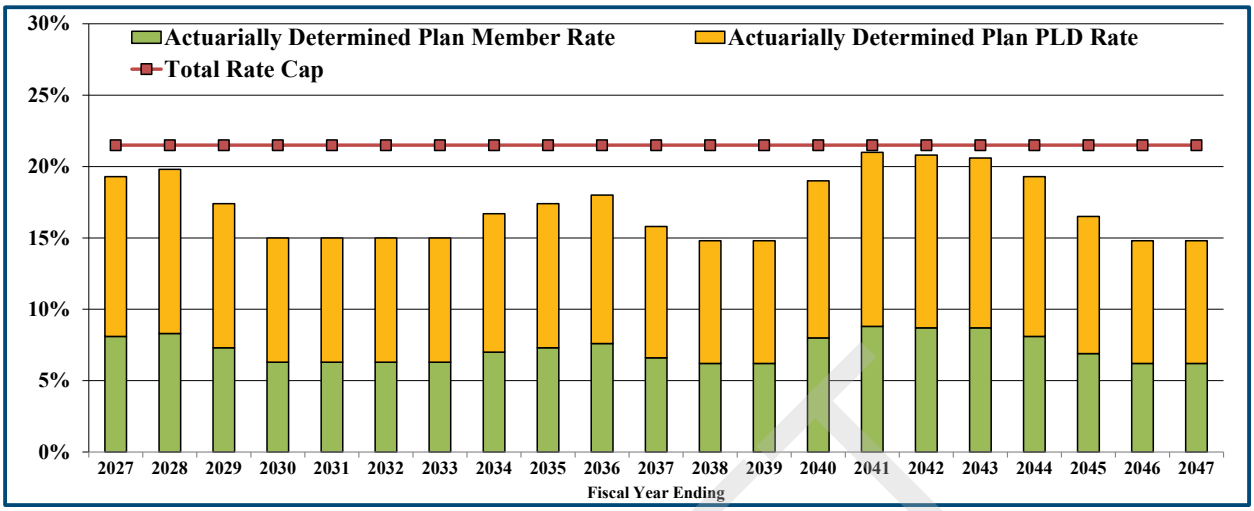
# SECTION II — RISK ASSESSMENT AND DISCLOSURE




Under this scenario, the total contributions are never projected to equal the Total Rate Cap, and so at no time are temporary COLA reductions required. As such, in this scenario, it is projected that 100% of the full COLA will be paid each year, the same as in the baseline scenario. Note that in this scenario, the minimum contribution based on 100% of the normal cost result comes into play for FY 2030-2033 and FY 2046-2047, whereas in the baseline projection, this minimum comes into effect for FY 2038-2047.

The funded ratio of the Plan under this scenario is more volatile than in the baseline, as seen in the following graph. Also note that while the average returns and the average contributions in this scenario are slightly greater than in the baseline, on average, the Plan has a slightly lower funded ratio over the projection period under this scenario than in the baseline. This is due to the negative cash flows of the Plan previously discussed in this section. Note also that the timing of contribution development and payment, as well as the combination of the amortization layers and the assumed minimum contributions, result in the Plan being funded over 100% at times, similar to what is seen in the baseline projection. These funded ratios are based on the actuarial values of assets and would vary if they were based on the market values of assets.

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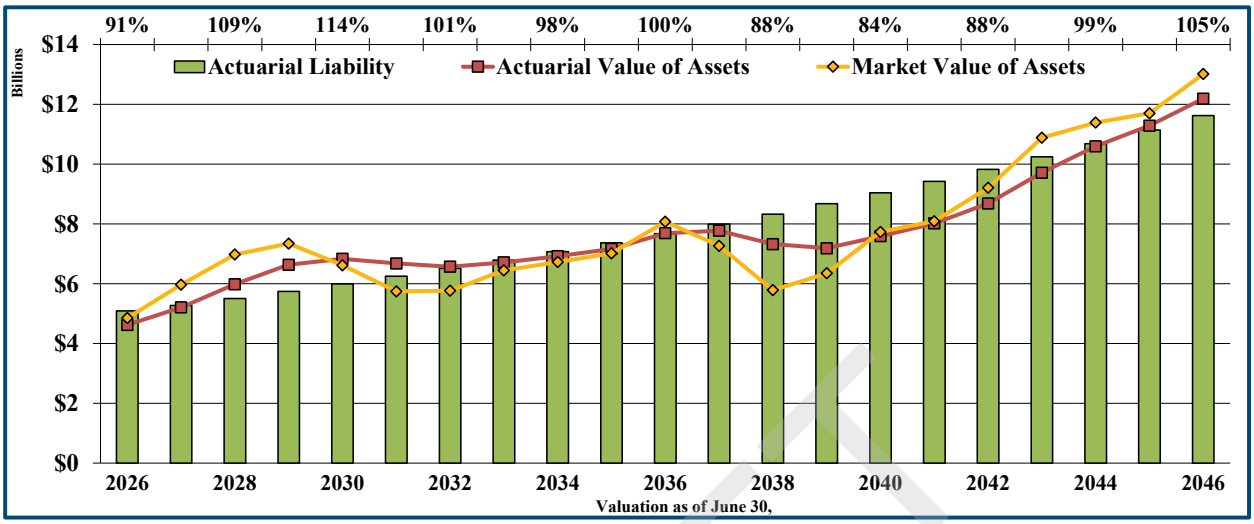
# SECTION II — RISK ASSESSMENT AND DISCLOSURE




The second of these two scenarios assumes that the returns starting in FY 2027 are similar to those experienced in the 20-year period from July 1, 1999 through June 30, 2019. The rates assumed for each year of this scenario are shown below.

| FY | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 | 2036 |
|---|---|---|---|---|---|---|---|---|---|---|
| Return | 17.9% | 6.6% | -8.3% | -11.3% | 2.8% | 14.4% | 6.4% | 6.3% | 17.0% | -8.1% |
| FY | 2037 | 2038 | 2039 | 2040 | 2041 | 2042 | 2043 | 2044 | 2045 | 2046 |
| Return | -18.1% | 13.2% | 24.0% | 6.0% | 15.3% | 19.6% | 6.0% | 4.5% | 13.3% | 10.7% |

This second varying returns scenario produces a significantly higher average total contribution for the projection period than the other two scenarios, with an average total rate of 20.3% compared to an average 17.2% rate in the last scenario and 16.6% in the baseline scenario. In addition, this scenario results in 10 years in this forecast in which the projected final total contribution equals the Total Rate Cap. This is in contrast to no years in both the baseline and the prior scenarios. Also, in this scenario, the minimum contribution based on the total normal cost does not come into effect at all during the projection period shown.

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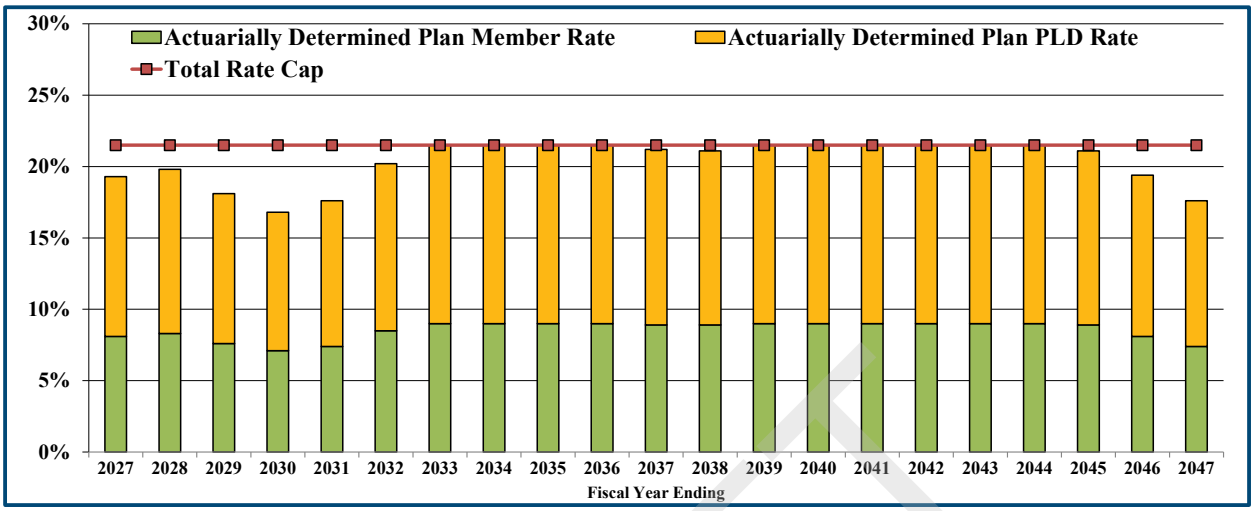
# SECTION II — RISK ASSESSMENT AND DISCLOSURE




This scenario also differs from the prior two as it projects that under the provisions of this Plan, temporary reductions in the COLA will be required to ensure the adequate funding of the Plan. Under this scenario, there are eight years in the projection period where the COLA would be reduced or eliminated under the provisions of this Plan. The average percentage of the full COLA projected to be paid in this scenario is 79%, in contrast to 100% in both of the prior projections. However, under this scenario it is projected that COLAs would resume again before the end of the projection period, demonstrating the success of the risk-sharing provisions of this Plan in ensuring its financial soundness.

The funded ratio of the Plan is also more volatile in this second scenario than in the baseline, as seen in the following graph. Similar to what is seen in the previous two projections, this scenario results in the Plan being funded over 100% by the end of the projection period due to the timing of contribution development and payment, as well as the combination of the amortization layers and the COLA cuts that are projected to occur. These funded ratios are based on the actuarial values of assets and would vary if they were based on the market values of assets.

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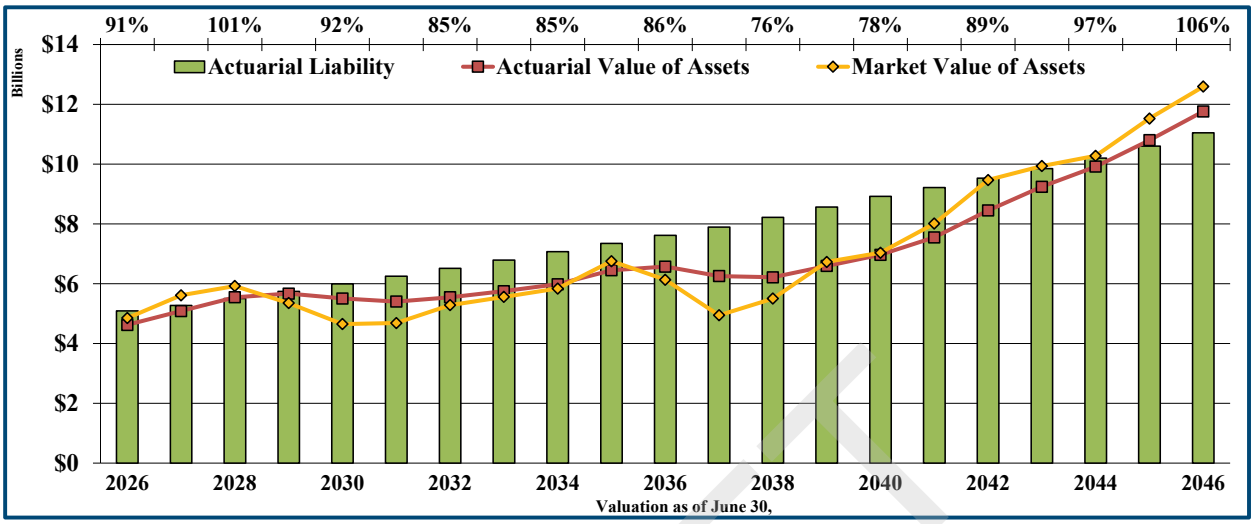
# SECTION II — RISK ASSESSMENT AND DISCLOSURE




In addition to demonstrating the volatility of these key valuation results of actuarially determined contributions and funded ratios, these varying return scenarios also illustrate that the magnitude of these results can vary depending on the pattern of returns.

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# SECTION III — ASSETS

Pension plan assets play a key role in the financial operation of plans and in the decisions that Trustees make with respect to future deployment of those assets. The level of assets, the allocation of assets among asset classes, and the methodology used to measure assets will likely affect benefit levels, employer contribution rates, and the ultimate security of members' benefits.

The assets for all Defined Benefit (DB) Programs administered by MainePERS are invested together. These Programs are the State Employee and Teacher Retirement Program, the Judicial Retirement Program, the Legislative Retirement Program, and the Participating Local District (PLD) Retirement Program, including both the Consolidated Plan, which is valued in this report and the several Nonconsolidated PLDs. The assets of these Programs are entirely commingled for investment purposes, so the Actuarial Value of Assets (AVA) for each of these Programs is developed by first developing it for the entire asset pool and then subsequently allocating that total AVA to each of the specific Programs.

In this section, we present detailed information on the Program's assets, including:

- Disclosure of total MainePERS DB assets at June 30, 2026,
- Statement of changes in total MainePERS DB market values during the year,
- Development of the total MainePERS DB AVA,
- Allocation of the total actuarial value to MainePERS DB Programs,
- Assessment of the total MainePERS DB investment performance, and
- Projection of expected cash flows for the Plan for the next 10 years.

## Disclosure

The Market Value of Assets (MVA) represents a "snapshot" or "cash-out" value, which provides the principal basis for measuring financial performance from one year to the next. However, market values can fluctuate widely with corresponding swings in the marketplace, resulting in volatility in the resulting contributions if the unadjusted market value is used in the valuation process that develops the contributions. Therefore, a smoothed Actuarial Value of Assets is developed for use in the valuation process and for evaluating the Plan's ongoing ability to meet its obligations. The actuarial value of the Plan's assets is developed by allocating the actuarial value of the total MainePERS DB assets to each Program. This section discloses the market and actuarial values of the MainePERS DB assets, both in total and for each Program.

Table III-1 that follows develops the change in the Market Value of Assets for the total MainePERS DB assets during FY 2026.

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# SECTION III — ASSETS

## Table III-1
## Changes in Market Value of Total MainePERS Defined Benefit (DB) Assets

| | | |
|---|---|---|
| **Market Value of Total MainePERS DB Assets – June 30, 2025** | | **$ 21,408,715,435** |
| **Additions** | | |
| Contributions: | | |
| Employer Contributions | $ 661,182,226 | |
| Member Contributions | 288,944,816 | |
| Transfers | (306,005) | |
| Total Contributions | $ 949,821,037 | |
| Investment Income: | | |
| Net Appreciation (Depreciation) in Fair Value of Investments | $ 2,572,063,734 | |
| Interest on Bank Balances | 3,190,606 | |
| Total Investment Income | $ 2,575,254,340 | |
| Investment Activity Expenses: | | |
| Management Fees | $ (126,310,487) | |
| Investment Related Expense | (6,445,905) | |
| Banking Fees | (24,506) | |
| Total Investment Activity Expenses | $ (132,780,898) | |
| Net Income from Investing Activities | $ 2,442,473,442 | |
| Total Additions | | $ 3,392,294,479 |
| **Deductions** | | |
| Retirement Benefits | $ (1,298,329,155) | |
| Disability Benefits | (26,691,717) | |
| Survivor Benefits | (29,574,581) | |
| Refunds | (32,712,154) | |
| Administrative Expenses | (20,697,998) | |
| Total Deductions | | $ (1,408,005,605) |
| **Total** | | |
| Net Increase (Decrease) | | $ 1,984,288,874 |
| **Market Value of Total MainePERS DB Assets – June 30, 2026** | | **$ 23,393,004,309** |

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# SECTION III — ASSETS

## Actuarial Value of Total MainePERS DB Assets

Table III-2 that follows develops the Actuarial Value of Assets for the total MainePERS DB assets as of June 30, 2026 using the adopted actuarial valuation methodology.

**Table III-2**
**Development of Actuarial Value of Total MainePERS Defined Benefit (DB) Assets as of June 30, 2026**

| | | |
|---|---|---|
| 1. | Actuarial Value of Total MainePERS DB Assets at June 30, 2025 | $ 20,838,164,256 |
| 2. | Amount in (1) with Interest to June 30, 2026 | 22,192,644,933 |
| 3. | Total Contributions for FY 2026 | 949,821,037 |
| 4. | Interest on Contributions in (3), Assuming Received Uniformly throughout FY 2026 | 30,383,229 |
| 5. | Total Disbursements without Administrative Expenses for FY 2026 | (1,387,307,607) |
| 6. | Interest on Disbursements in (5), Assuming Payments made Uniformly throughout FY 2026 | (44,377,712) |
| 7. | Expected Actuarial Value of Total MainePERS DB Assets at June 30, 2026 = (2) + (3) + (4) + (5) + (6) | $ 21,741,163,880 |
| 8. | Actual Market Value of Total MainePERS DB Assets at June 30, 2026 | 23,393,004,309 |
| 9. | Excess of (8) Over (7) | 1,651,840,429 |
| 10. | Actuarial Value of Total MainePERS DB Assets at June 30, 2026 = (7) + [33⅓% of (9)] | $ 22,291,777,356 |

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# SECTION III — ASSETS

As discussed in the disclosure portion of this section, the Actuarial Value of Assets (AVA) for the Program represents a "smoothed" value developed by the actuary to reduce, or eliminate, volatility in valuation results, particularly contribution rates that could develop from short-term fluctuations in the Market Value of Assets (MVA). Current actuarial methods employed in this Program use an allocated portion of the total AVA for the total MainePERS DB assets based on the Program's MVA to develop the AVA for the Program. The methodology for the total MainePERS DB assets sets the AVA equal to the expected value of the AVA plus one-third of the difference between the actual MVA and the expected AVA. The expected value of the AVA takes the prior year's AVA and adjusts it for contributions, disbursements, and expected interest earnings at the investment return assumption that was in effect for the previous year, 6.50% for this valuation. The previous table, Table III-2, illustrates the calculation of the Actuarial Value of Assets for the total MainePERS DB assets as of June 30, 2026.

## Allocation of Actuarial Value of Assets to the Plan

The assets for the defined benefit (DB) Programs administered by MainePERS are commingled for investment purposes with the total AVA allocated to the individual Programs on the basis of the MVA for each Program. An asset ratio (total MainePERS DB AVA divided by total MainePERS DB MVA) is applied to the MVA attributable to each of the Programs to determine its AVA as of the valuation date. The asset ratio derived in this June 30, 2026 valuation is 0.952925 ($22,291,777,356 ÷ $23,393,004,309). The allocation of the total MainePERS DB AVA to each of the MainePERS DB Programs based on this asset ratio is shown in the following table.

**Table III-3**
**Allocation of Actuarial Value of Total MainePERS DB Assets**
**as of June 30, 2026**

| Program | Market Value | Actuarial Value |
|---|---|---|
| Teachers | $12,152,470,780 | $ 11,580,392,556 |
| State (Regular & Special) | 6,259,869,481 | 5,965,185,784 |
| Judicial | 99,834,087 | 95,134,392 |
| Legislative | 20,392,813 | 19,432,820 |
| Participating Local Districts (Consolidated & Non-Consolidated) | 4,860,437,148 | 4,631,631,804 |
| Total | $23,393,004,309 | $ 22,291,777,356 |

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# SECTION III — ASSETS

## Investment Performance

The Market Value of Assets for the total MainePERS DB assets returned a positive 11.43% during FY 2026. This is greater than the assumed return of 6.50% for FY 2026. The equivalent market value returns for the total MainePERS DB assets for FY 2025 and FY 2024 were positive 9.31% and positive 7.43%, respectively.

On an Actuarial Value of Assets basis, the return for FY 2026 was a positive 9.17% for the total MainePERS DB assets. This return is less than the return on a market value basis but greater than the 6.50% assumption in effect for FY 2026. Therefore, this return gave rise to an investment gain on the total MainePERS DB assets this year.

## Cash Flow Projections

**Table III-4**
**Projection of Consolidated Plan**

| FY Ending June 30, | Expected Benefit Payments | Total Expected Contributions |
|---|---|---|
| 2027 | $ 304,810,000 | $ 208,487,000 |
| 2028 | 276,707,000 | 219,770,000 |
| 2029 | 287,329,000 | 220,111,000 |
| 2030 | 297,773,000 | 221,477,000 |
| 2031 | 308,980,000 | 222,752,000 |
| 2032 | 321,349,000 | 226,404,000 |
| 2033 | 334,417,000 | 231,358,000 |
| 2034 | 347,749,000 | 236,414,000 |
| 2035 | 360,693,000 | 240,232,000 |
| 2036 | 373,810,000 | 246,838,000 |

In Table III-4 above, we provide a projection of expected cash flows for the next 10 years for informational purposes. The Board may share these projections with its investment advisor for consideration of the gap shown between the cash expected to come into the Plan through PLD and member contributions and the cash expected to be paid out of the Plan to provide benefit payments.

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# SECTION III — ASSETS

The expected benefit payments in Table III-4 were developed using the data currently included in this valuation, adjusted for the legislated changes that go into effect for FY 2027, and on the assumption that the actuarial assumptions disclosed in Appendix D will be exactly met. Actual benefit payments will differ as the amount and timing of payments will vary based on individual member experience. These benefit projections exclude any assumption about new Plan participants, whose experience will eventually lead to increased benefit payments. However, we do not feel this exclusion will materially impact the projections for the period shown.

For the purposes of this table of cash flows, as well as for all other liability calculations within this report, we have assumed that the member contribution rates for each Regular and Special Plan within the Plan will be developed and paid at the actuarially determined rates. In addition, these cash flows where we have assumed the rates adopted through the risk-sharing framework will be paid, again along with all other liability calculations within this report, are based on the assumption that the contributions made to the Plan will be the actuarially determined rates. In addition to these additional assumptions regarding the contributions that the Plan will receive, these cash flows are also developed based on the assumption that all valuation assumptions are exactly met, including an assumed 2.75% per year increase in covered payroll.

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# SECTION IV — LIABILITIES

In this section, we present detailed information on Plan liabilities, including:

- Disclosure of the Plan's liabilities as of June 30, 2025 and June 30, 2026, and
- Statement of changes in these liabilities during the year.

## Disclosure

Several types of liabilities are calculated and presented in this report. Each type is distinguished by the purpose for which the figures are ultimately used. We note that none of the liabilities presented in this report is an appropriate measure of a settlement liability.

- Present Value of Future Benefits (PVB): Used for analyzing the overall financial obligations of the Plan, this represents the amount of money needed today to fully fund all future benefits of the Plan, assuming no new members, that active members continue to earn salary increases and accrue benefits under their current Plan provisions, and that all actuarial assumptions are exactly met, including the 6.50% per year investment return.
- Actuarial Liability (AL): Used for funding calculations and GASB disclosures, this liability is calculated by taking the PVB above and subtracting the value of accruals that are assigned to future years on a person-by-person basis. This offset is equal to the present value of future member contributions and future PLD normal cost contributions under an acceptable actuarial cost method. For this Plan and the other MainePERS DB Programs, the method used is referred to as the Entry Age Normal (EAN) Cost Method, which is the only permitted actuarial cost method for GASB disclosures.
- Present Value of Accrued Benefits (PVAB): Used for communicating the liabilities for benefits accrued as of the valuation date.

Table IV-1 that follows discloses each of these liabilities for the current and prior year's valuations. With respect to the Actuarial Liability and the Present Value of Accrued Benefits, a subtraction of the appropriate value of the Plan's assets yields, for each respective type, a net surplus or an unfunded liability. For the PVB measure, it is compared to the Market Value of Assets plus the expected future value of contributions to the Plan for current members.

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# SECTION IV — LIABILITIES

## Table IV-1
## Disclosure of Liabilities

| | June 30, 2025 | June 30, 2026 |
|---|---|---|
| **Present Value of Benefits (PVB)** | | |
| Active Member Benefits | $ 2,944,930,729 | $ 3,346,111,756 |
| Retired, Disabled, Survivor, and Beneficiary Benefits | 2,643,377,181 | 2,770,631,240 |
| Terminated Vested Benefits | 196,394,860 | 199,418,193 |
| Terminated Nonvested Benefits | 34,538,060 | 37,842,434 |
| **Total PVB** | **$ 5,819,240,830** | **$ 6,354,003,623** |
| Market Value of Assets (MVA) | $ 4,401,452,107 | $ 4,853,377,102 |
| Future Member and PLD Contributions | 1,417,788,723 | 1,500,626,521 |
| Projected (Surplus)/Shortfall | 0 | 0 |
| **Total Resources** | **$ 5,819,240,830** | **$ 6,354,003,623** |
| **Actuarial Liability (AL)** | | |
| Present Value of Benefits (PVB) | $ 5,819,240,830 | $ 6,354,003,623 |
| Present Value of Future Normal Costs (PVFNC) | 1,087,172,418 | 1,263,009,902 |
| **Actuarial Liability (AL = PVB – PVFNC)** | **$ 4,732,068,412** | **$ 5,090,993,721** |
| Actuarial Value of Assets (AVA) | 4,284,151,576 | 4,624,904,111 |
| **Net (Surplus)/Unfunded (AL – AVA)** | **$ 447,916,836** | **$ 466,089,610** |
| **Present Value of Accrued Benefits (PVAB)** | | |
| Present Value of Benefits (PVB) | $ 5,819,240,830 | $ 6,354,003,623 |
| Present Value of Future Benefit Accruals (PVFBA) | 1,610,717,271 | 1,900,698,605 |
| **Accrued Liability (PVAB = PVB – PVFBA)** | **$ 4,208,523,559** | **$ 4,453,305,018** |
| Market Value of Assets (MVA) | 4,401,452,107 | 4,853,377,102 |
| **Net (Surplus)/Unfunded (PVAB – MVA)** | **$ (192,928,548)** | **$ (400,072,084)** |

*Future Member and PLD Contributions are those amounts determined to be the amount to fully fund the PVB.*

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# SECTION IV — LIABILITIES

## Low-Default-Risk Obligation Measure (LDROM)

The System invests in a diversified portfolio with the objective of maximizing investment returns at a reasonable level of risk. The lowest risk portfolio for a pension plan would be composed entirely of low-default-risk fixed income securities whose cash flows match the benefit cash flows of the System. Such a portfolio, however, would have a lower expected rate of return than the diversified portfolio. The LDROM represents what the funding liability would be if the System invested its assets in such a portfolio. As of June 30, 2026, we estimate that a portfolio composed only of US Treasury securities would have an expected return of 4.85% compared to the System's discount rate of 6.50%, and the LDROM would be $6.3 billion compared to the Actuarial Liability of $5.1 billion. The $1.2 billion difference represents the expected taxpayer savings from bearing the risk of investing in the diversified portfolio. Alternatively, it also represents the cost of eliminating the investment risk.

If the System were to invest in the LDROM portfolio, the reported funded status would decrease, and contribution requirements would increase. Benefit security for members of the Plan relies on a combination of the assets in the System, the investment returns generated on those assets, and the promise of future contributions. If the System were to invest in the LDROM portfolio, it would not change the amount of assets currently in the System, but it would reduce expected future investment returns and increase expected future contributions. However, the range of future investment returns and future contributions needed would narrow significantly.

## Changes in Liabilities

Each of the liabilities disclosed in Table IV-1 is expected to change at each subsequent valuation. The components of these changes, depending upon which liability is analyzed, can include:

- New Plan members since the last valuation
- Benefits accrued since the last valuation
- Plan amendments changing benefits since the last valuation
- Passage of time, which adds interest to the prior liability
- Benefits paid to members since the last valuation
- Members retiring, terminating, or dying at rates different than expected since the last valuation
- Salaries changing at rates different than expected since the last valuation
- A change in actuarial assumptions since the last valuation
- A change in the actuarial cost method since the last valuation

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# SECTION IV — LIABILITIES

Unfunded liability measurements will change because of all of the above, as well as due to changes in the Plan's asset measurements resulting from:

- PLD or member contributions being different than expected (including actual contributions developed under the risk-sharing framework deviating in aggregate from the actuarially determined contributions)
- Investment earnings being different than expected
- A change in the method used to measure the Plan's assets in developing the unfunded liability measure since the last valuation

In each valuation, we report on those elements of change in the Plan's liability measures that are of particular significance, potentially affecting the long-term financial outlook of the Plan. In Table IV-2 that follows, we present key changes in the Plan's liability measures since the last valuation.

**Table IV-2**

| | Present Value of Future Benefits | Actuarial Liability | Present Value of Accrued Benefits |
|---|---|---|---|
| Liability Measurement – June 30, 2025 | $ 5,819,240,830 | $ 4,732,068,412 | $ 4,208,523,559 |
| Liability Measurement – June 30, 2026 | 6,354,003,623 | 5,090,993,721 | 4,453,305,018 |
| Liability Measurement Increase/ (Decrease) Due to: | $ 534,762,793 | $ 358,925,309 | $ 244,781,459 |
| Plan Amendment | $ 3,035,746 | $ 3,035,746 | $ 3,035,746 |
| Assumption Change | 101,524,804 | 19,231,718 | (30,856,546) |
| Actuarial (Gain)/Loss | N/C | $ 143,895,272 | N/C |
| Benefits Accumulated and Other Sources | $ 430,202,243 | $ 192,762,573 | $ 272,602,259 |

N/C = Not calculated

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# SECTION V — CONTRIBUTIONS

In this section, we present detailed information on PLD and member contribution rates as developed in this June 30, 2026 valuation for the Plan, including:

- Development of Actuarially Determined Plan Total Rate for the Plan as a whole, including the Actuarially Determined Plan Normal Cost Rate and the Actuarially Determined Plan UAL Amortization Rate,
- Summary of the Plan-Specific Normal Cost Rates by each Regular and Special Plan, and
- Description of risk-sharing framework and how resulting contribution rates are developed.

Note that the actual rates that will be paid in FY 2028 based on this June 30, 2026 valuation are specific to each Regular and Special Plan and include a PLD rate for each Plan as well as a single member rate for each Special Plan and two member rates for each Regular Plan, where the Regular Plan member rates vary based on the applicable normal retirement age. These actual rates are developed in the risk-sharing framework process and are not contained within this report, but a general outline of this process is included as the last element of this section of this report for informational purposes.

In addition, any PLDs that have Initial Unpooled Unfunded Actuarial Liability (IUUAL) balances also make additional contributions to repay these balances in addition to their PLD contribution rates.

## Description of Rate Components

The rate components described here are the Actuarially Determined Plan Rates, based on the aggregation of all of the Regular and Special Plans in the Plan, and the Plan-Specific Normal Cost Rates that are anticipated to be the basis from which the risk-sharing contribution rates that will actually be paid by the PLDs and members in FY 2028 will be determined.

### ACTUARIALLY DETERMINED PLAN TOTAL RATE

The Actuarially Determined Plan Total Rate is developed based on the entirety of the Consolidated Plan and consists of two elements: the Actuarially Determined Plan Normal Cost Rate and the Actuarially Determined Plan UAL Amortization Rate.

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# SECTION V — CONTRIBUTIONS

For each of the Regular and Special Plans in the Consolidated Plan, an individual Entry Age Normal Cost Rate is determined for each active member. The normal cost is determined by the following steps. First, an individual normal cost rate is determined by taking the value, as of entry age into a Plan, of each active member's projected future benefits. Second, this value is then divided by the value, also at entry age, of the member's expected future salary. These rates are then multiplied by each member's salary as of the valuation date to get the total normal cost dollars as of the valuation date for that Plan. These individual amounts for each Regular and Special Plan are then added to get the total normal cost dollars for the Plan, and then divided by the total payroll for the Plan to get the Actuarially Determined Plan Normal Cost Rate.

The pooled UAL under the Entry Age Normal Cost Method equals the present value, at the time of valuation, of the future benefit payments less the present value of future contributions plus current assets. Under the Consolidated Plan, the Actuarially Determined Plan UAL Amortization Rate is calculated for the Consolidated Plan in total based on the pooled UAL being amortized over a 20-year period commencing with the June 30, 2015 valuation date and any layers of pooled UAL arising after that date being amortized over individual 20-year periods. These amortizations use a level percentage of pay method with payroll assumed to increase at 2.75% per year. The amortization payment thus derived for the valuation year is then divided by the total payroll to develop the Actuarially Determined Plan UAL Amortization Rate.

As a reminder, these rates are not paid by any PLD or member and instead determine the level of the contributions in aggregate that needs to be paid into the Plan. The risk-sharing framework allocates this cost level, with some adjustments, based on the relative rates of the Plan-Specific Normal Cost Rates and determines the rates that will be paid by every PLD and member in the Consolidated Plan based on each member's specific Plan.

## PLAN-SPECIFIC NORMAL COST RATES

Following the procedure outlined above to develop the total normal cost dollars for each specific Regular and Special Plan, these Plan-Specific values are then divided by the total payroll for each specific Plan to get the Plan-Specific Normal Cost Rate for that Plan. This procedure is followed for each Regular and Special Plan in the Consolidated Plan.

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# SECTION V — CONTRIBUTIONS

### IUUAL PAYMENTS

PLDs that either enter the Consolidated Plan with liabilities in excess of their assets or make Plan changes resulting in individual liability amounts are required to make additional contributions. They make payments on their Individual Unpooled Unfunded Actuarial Liability (IUUAL) until their IUUAL is fully paid off. IUUAL payments are made as specific dollar amounts on a schedule rather than as a rate applied to payroll. The System now treats future IUUAL payments as receivable contributions that are already included in the asset values provided and so are not separately identified in the Section I summary tables.

## Contribution Calculations

Table V-1 below presents and compares the Actuarially Determined Plan Total Rate for the Plan in aggregate, as well as its two components, as developed in this and last year's valuations.

**Table V-1**
**Actuarially Determined Plan Total Rates**

| Valuation Date | June 30, 2025 | June 30, 2026 |
|---|---|---|
| Actuarially Determined Plan Normal Cost Rate | 14.3% | 15.1% |
| Actuarially Determined Plan UAL Amortization Rate | 4.7% | 4.7% |
| Actuarially Determined Plan Total Rate | 19.0% | 19.8% |

The remainder of this section details the calculation of the above rates, including developing the Actuarially Determined Plan UAL Amortization Rate from its components and developing the Plan-Specific Normal Cost Rates for each Regular and Special Plan in the Consolidated Plan, as well as the Actuarially Determined Plan Normal Cost Rate for the Plan in aggregate.

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# SECTION V — CONTRIBUTIONS

Table V-2 shows the development of the Plan-Specific Normal Cost Rates for each Regular and Special Plan, as well as the Actuarially Determined Plan Normal Cost Rate.

**Table V-2**
**Development of Plan-Specific Normal Cost Rates and**
**Actuarially Determined Plan Normal Cost Rate**

| Specific Plan | Initial Normal Cost Dollars | Valuation Salary | Plan-Specific Normal Cost Rate | Total Salary | Total Normal Cost Dollars |
|---|---|---|---|---|---|
| **Regular AC** | $ 74,304,170 | $ 554,769,698 | **13.4%** | $ 600,666,322 | $ 80,489,287 |
| **Regular AN** | 4,789,746 | 40,986,246 | **11.7%** | 44,330,013 | 5,186,612 |
| **Regular BC** | 269,215 | 3,920,790 | **6.9%** | 4,238,840 | 292,480 |
| **Special 1C** | 8,266,036 | 42,453,075 | **19.5%** | 45,015,270 | 8,777,978 |
| **Special 2C** | 8,537,350 | 52,975,403 | **16.1%** | 56,188,297 | 9,046,316 |
| **Special 3C** | 51,581,581 | 280,895,009 | **18.4%** | 295,020,475 | 54,283,767 |
| **Special 4C** | 1,105,995 | 7,183,258 | **15.4%** | 7,565,290 | 1,165,055 |
| **Special 1N** | 261,301 | 1,601,091 | **16.3%** | 1,678,458 | 273,589 |
| **Special 2N** | 23,913 | 162,645 | **14.7%** | 170,587 | 25,076 |
| **Special 3N** | 1,617,318 | 10,351,417 | **15.6%** | 10,817,461 | 1,687,524 |
| Total for Plan in Aggregate | | | | $ 1,065,691,013 | $ 161,227,684 |
| **Actuarially Determined Plan Normal Cost Rate** | | | | | **15.1%** |

Tables V-3 and V-4 provide the development of the 4.7% UAL Amortization Rate as of June 30, 2026 that was shown in Table V-1 for the Consolidated Plan in aggregate.

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# SECTION V — CONTRIBUTIONS

**Table V-3**
**Derivation of Actuarially Determined Plan UAL Amortization Rate**

| | | |
|---|---|---|
| Actuarial Liability (AL) | $ | 5,090,993,721 |
| Actuarial Value of Assets (AVA) | | 4,624,904,111 |
| Unfunded Actuarial Liability (UAL) | $ | 466,089,610 |
| Covered Payroll | $ | 1,065,691,013 |

**Table V-4**
**Derivation of Actuarially Determined Plan UAL Amortization Rate**

| | Outstanding Balance | Years Remaining | UAL Amortizations | UAL Amortization Rate |
|---|---|---|---|---|
| Original UAL Amount | $ 208,585,883 | 9 | $ 27,487,155 | 2.6% |
| 2016 (Gain)/Loss Base | 90,635,001 | 10 | 10,932,671 | 1.0% |
| 2017 (Gain)/Loss Base | 8,147,968 | 11 | 908,623 | 0.1% |
| 2018 (Gain)/Loss Base | (65,424,647) | 12 | (6,800,453) | (0.6%) |
| 2019 (Gain)/Loss Base | 18,394,577 | 13 | 1,794,439 | 0.2% |
| 2020 (Gain)/Loss Base | 11,446,055 | 14 | 1,054,068 | 0.1% |
| 2021 (Gain)/Loss Base | (7,013,926) | 15 | (612,806) | (0.1%) |
| 2022 (Gain)/Loss Base | 25,002,470 | 16 | 2,081,532 | 0.2% |
| 2023 (Gain)/Loss Base | 29,867,808 | 17 | 2,378,459 | 0.2% |
| 2024 (Gain)/Loss Base | 103,225,640 | 18 | 7,889,175 | 0.7% |
| 2025 (Gain)/Loss Base | 6,374,895 | 19 | 468,992 | 0.0% |
| 2026 (Gain)/Loss Base | 36,847,886 | 20 | 2,616,455 | 0.2% |
| Sum of the Bases | $ 466,089,610 | | $ 50,198,310 | **4.7%** |

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The Actuarially Determined Plan Normal Cost Rate developed in Table V-2 is combined with the Actuarially Determined Plan UAL Amortization Rate developed in Table V-4 to determine the Actuarially Determined Plan Total Rate. This Actuarially Determined Plan Total Rate, along with the Plan-Specific Normal Cost Rates, will be used in the risk-sharing framework to develop the risk-sharing contribution rates that will actually be paid by the PLDs and members in FY 2028. Since they are developed in that process outside of the actuarial valuations, these actual rates are not included in this report, but for informational purposes, this section is concluded with a general outline of this methodology.

# SECTION V — CONTRIBUTIONS

## Risk-Sharing Contribution Methodology

As mentioned previously, the actual FY 2028 rates will be developed based on the results of this June 30, 2026 valuation, reflecting application of the risk-sharing contribution methodology. Details of the application of this methodology are determined by the Board, but we have provided a general description of this methodology to communicate how it operates. This basic information is thus useful for informational purposes, as it can be provided in advance of the full rates that will be developed and provided under separate cover after the specifics of the methodology for this year are finalized and adopted by the Board.

Note that while this section provides a summary of the principles of the risk-sharing contribution methodology adopted by the Board, the specific details of the methodology to be used in developing the FY 2028 rates from the results of this June 30, 2026 actuarial valuation have not yet been finalized, and thus, any or all details of the methodology as outlined here may change prior to finalization and adoption.

Most of the participating local districts in the State of Maine participate in this Consolidated Plan for PLDs. The Plan offers a number of specific Plan options from which each PLD can choose, with each option having its own specific contributions associated with it to be paid by both the member and the PLD. Under the risk-sharing contribution methodology, both the member contributions and the PLD contributions will be paid as rates that are set annually based on the actuarial valuation process. The June 30, 2018 valuation setting the Fiscal Year 2020 contribution rates was the first valuation used to develop member and PLD contribution rates based on this risk-sharing methodology. Prior to the 2018 valuation, the member rates were static and set by the Board, while the PLD rates were established using the corridor funding methodology. This June 30, 2026 valuation will be used as the basis to determine the Fiscal Year 2028 contribution rates for members and PLDs that will be paid.

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# SECTION V — CONTRIBUTIONS

Under the Plan's risk-sharing contribution methodology, PLD and member rates are developed for each Regular and Special Plan within the Plan. First, Plan-Specific Normal Cost Rates are developed for each Plan and then combined to develop the Actuarially Determined Plan Normal Cost Rate, which is the aggregate normal cost rate for the Plan as a whole. These rates represent the cost of providing the next year's benefits. The Actuarially Determined Plan UAL Amortization Rate is also developed based on the amortization of the aggregated UAL. The Actuarially Determined Plan Total Rate is then determined as the sum of the Actuarially Determined Plan Normal Cost Rate and the Actuarially Determined Plan UAL Amortization Rate. This Actuarially Determined Plan Total Rate is then allocated to each Regular and Special Plan relative to their Plan-Specific Normal Cost Rates. The resulting rate for each individual Regular and Special Plan is then allocated between the rate to be paid by the PLD and the rate to be paid by the members. In the case of the three Regular Plans, the process further develops distinct Plan-Specific member rates based on whether a member is covered by the provisions with an age 60 normal retirement age or an age 65 normal retirement age.

The implementation of the risk-sharing framework to develop the contribution rates to be paid based on each valuation includes further refinements based on details adopted by the Board for implementation in that specific year, which include maximum rates and, in the past, also included phasing-in of changes in rates from prior years. The Board considers factors specific to the Plan in aggregate as well as the resulting Plan-Specific rates in determining the refinements of the implementation for each year.

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# SECTION VI — FINANCIAL DISCLOSURE INFORMATION

This section contains financial disclosure information regarding the Plan developed under a number of accounting standards and guidance.

First, for informational purposes, we show the Plan's funded status under the Financial Accounting Standards Board (FASB) ASC 960, which discloses how the Market Value of Assets would compare to accrued liabilities if contributions were to stop and accrued benefit claims had to be satisfied as of the valuation date. However, due to potential legal requirements and the possibility that alternative interest rates would have to be used to determine the liabilities, these values may not be a good indication of the amount of money it would take to buy the benefits for all members if all provisions of the Consolidated Plan were to terminate. We have prepared the following exhibit in this section based on FASB ASC 960:

- Table VI-1: Accrued Benefits information

The Governmental Accounting Standards Board (GASB) Statement Nos. 67 and 68 establish standards for disclosure of pension information by public employee retirement systems (PERS) and governmental employers in financial statements, notes to financial statements, and supplementary information. We have prepared the following exhibits reflecting provisions of GASB Statement Nos. 67 and 68:

- Table VI-2: Schedule of Changes in Net Pension Liability and Related Ratios
- Table VI-3: Sensitivity of Net Pension Liability to Changes in Discount Rate
- Table VI-4: Schedule of Employer Contributions
- Table VI-5: Average Expected Remaining Service Lives

A summary of the terminology used in GASB Statement Nos. 67 and 68 is provided in Appendix E of this report. Note that while much of the information provided in this report under GASB No. 67 is also utilized in GASB No. 68, Table VI-5 included in this section is only applicable to GASB No. 68.

Finally, we have also developed disclosure information in this section based on additional guidance relating to the Annual Comprehensive Financial Reports (ACFR) of PERS provided by the Government Finance Officers Association (GFOA) in their publication, Governmental Accounting, Auditing, and Financial Reporting (GAAFR). We have prepared the following exhibits reflecting guidance in the GAAFR:

- Table VI-6: Analysis of Financial Experience
- Table VI-7: Schedule of Funded Liabilities by Type

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MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM CONSOLIDATED PLAN FOR
PARTICIPATING LOCAL DISTRICTS
ACTUARIAL VALUATION AS OF JUNE 30, 2026

# SECTION VI — FINANCIAL DISCLOSURE INFORMATION

The Present Value of Accrued Benefits, the Total Pension Liability (GASB 67/68), and the Actuarial Liability (GAAFR) disclosures in this section are all determined assuming that the Plan is ongoing and participants continue to terminate employment, retire, etc., in accordance with the actuarial assumptions. Liabilities as of June 30, 2026 are discounted at the assumed valuation interest rate of 6.50% per annum in all of these disclosures.

Table VI-1 below includes the relevant amounts as of June 30, 2025 and June 30, 2026 as well as a reconciliation between the two dates under FASB ASC 960.

**Table VI-1**
**Accrued Benefits Information**

| FASB ASC 960 Basis | June 30, 2025 | June 30, 2026 |
|---|---|---|
| 1. Present Value of Benefits Accrued to Date (PVAB) | | |
| a. Members Currently Receiving Payments | $ 2,643,377,181 | $ 2,770,631,240 |
| b. Terminated Vested Members | 196,394,860 | 199,418,193 |
| c. Terminated Nonvested Members | 34,538,060 | 37,842,434 |
| d. Active Members | 1,334,213,458 | 1,445,413,151 |
| e. Total PVAB | $ 4,208,523,559 | $ 4,453,305,018 |
| 2. Assets at Market Value (MVA) | 4,401,452,107 | 4,853,377,102 |
| 3. Unfunded Present Value of Accrued Benefits, But Not Less Than Zero | $ 0 | $ 0 |
| 4. Ratio of MVA to PVAB (2)/(1)(e) | 104.6% | 109.0% |
| **Change in Present Value of Benefits Accrued to Date during FY 2026** | | |
| Increase/(Decrease) during Year Attributable to: | | |
| Passage of Time | | $ 263,425,467 |
| Benefits Paid | | (253,932,553) |
| Assumption Changes | | (30,856,546) |
| Plan Changes | | 3,035,746 |
| Benefits Accrued, Other Gains/Losses | | 263,109,345 |
| Net Increase/(Decrease) | | $ 244,781,459 |

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# SECTION VI — FINANCIAL DISCLOSURE INFORMATION

Table VI-2 that follows shows the changes in the Total Pension Liability (TPL), the Plan's Fiduciary Net Position (FNP) (i.e., fair value of the Plan's net assets), and the Net Pension Liability (NPL) during the measurement year ending June 30, 2026, as well as related ratios calculated under the provisions of GASB Statement No. 67 for the Plan.

As of the June 30, 2026 valuation, the Fiduciary Net Position for this Plan was projected to be available to make all projected future benefit payments for current Plan members. As such, the long-term expected rate of return on the Plan's investments was applied to all periods of projected benefit payments in determining the Total Pension Liability under GASB Nos. 67 and 68. The projection of cash flows used to determine the discount rate assumed that the member and PLD contribution rates will be at the actuarially determined rates in aggregate.

## Table VI-2
## Schedule of Changes in Net Pension Liability and Related Ratios FY 2026

| | |
|---|---|
| **Total Pension Liability (TPL)** | |
| Service Cost (SC) | $ 142,575,695 |
| Interest (includes Interest on SC) | 304,119,431 |
| Changes of Benefit Terms | 3,035,746 |
| Differences Between Actual and Expected Experience | 143,895,272 |
| Changes of Assumptions | 19,231,718 |
| Benefit Payments, including Refunds of Member Contributions | (253,932,553) |
| Net Change in TPL | $ 358,925,309 |
| **Beginning of Year (BOY) TPL** | **4,732,068,412** |
| **End of Year (EOY) TPL** | **$ 5,090,993,721** |
| **Plan Fiduciary Net Position (FNP)** | |
| PLD (Employer) Contributions | $ 119,324,164 |
| Member Contributions | 85,702,976 |
| Transfers | (348,165) |
| Net Investment Income | 505,434,492 |
| Benefit Payments, including Refunds of Member Contributions | (253,932,553) |
| Administrative Expenses | (4,255,919) |
| Net Change in FNP | $ 451,924,995 |
| **BOY FNP** | **4,401,452,107** |
| **EOY FNP** | **$ 4,853,377,102** |
| **EOY Net Pension Liability (NPL)** | **$ 237,616,619** |
| FNP as a Percentage of TPL | 95.3% |
| Covered Payroll (for FY 2026) | $ 1,062,631,304 |
| NPL as a Percentage of Covered Payroll | 22.4% |

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# SECTION VI — FINANCIAL DISCLOSURE INFORMATION

## NOTES TO SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

None.

A 10-year schedule of changes in NPL and related ratios is to be included within the ACFR for PERS. We have shown only the current year of this Schedule of Changes in Net Pension Liability and Related Ratios above and believe that you can accumulate the individual years in the MainePERS ACFRs to show the full 10-year schedule. Notes to this schedule should be included for any factors significantly impacting the trends reported within the period shown in this schedule at that time. As of June 30, 2026, we have not included suggested information for such a note in the Notes to Schedule of Changes in Net Pension Liability and Related Ratios above. However, it is our expectation that the System's staff will make the final determination regarding any notes needed for this schedule, and we are available to provide any information they may need for this purpose.

Table VI-3 below illustrates the sensitivity of the Net Pension Liability (NPL) to the discount rate. Changes in the discount rate affect the measurement of the Total Pension Liability (TPL) for the Plan. Lower discount rates produce a higher TPL, and higher discount rates produce a lower TPL. Because the discount rate does not affect the measurement of assets, the percentage change in the Net Pension Liability (NPL) can be very significant for relatively small changes in the discount rate.

**Table VI-3**
**Sensitivity of Net Pension Liability to Changes in Discount Rate**
**FY 2026**

| | 1% Decrease 5.50% | Discount Rate 6.50% | 1% Increase 7.50% |
|---|---|---|---|
| Total Pension Liability (TPL) | $ 5,783,991,833 | $ 5,090,993,721 | $ 4,521,570,202 |
| Plan Fiduciary Net Position (FNP) | 4,853,377,102 | 4,853,377,102 | 4,853,377,102 |
| Net Pension Liability (NPL) | $ 930,614,731 | $ 237,616,619 | $ (331,806,900) |
| FNP as a Percentage of TPL | 83.9% | 95.3% | 107.3% |

A one percent decrease in the discount rate increases the TPL by approximately 14% and increases the NPL by approximately 292%. A one percent increase in the discount rate decreases the TPL by approximately 11% and decreases the NPL by approximately 240%.

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# SECTION VI — FINANCIAL DISCLOSURE INFORMATION

Table VI-4 that follows provides information relating to the employer contributions for the Plan. Under GASB Statement No. 67, if an actuarially determined contribution (ADC) or a contractually or statutorily required contribution (CRC) is developed for a single employer or cost-sharing plan, the following schedule is required. For purposes of this schedule, an ADC is a contribution amount determined in accordance with Actuarial Standards of Practice, and a CRC is based on statutory or contractual requirements. Both should exclude any amounts to finance specific liabilities of individual employers of the Plan. If an ADC is available, the schedule of employer contributions should be developed on that basis. If there is no ADC, but there is a CRC, the schedule should be developed on that basis. Only if neither an ADC nor a CRC is developed can this schedule be omitted from the MainePERS's ACFR.

The Consolidated Plan's risk-sharing contribution rates, which are the basis for the FY 2026 contribution rates were determined, meet the definition of an ADC, so for this Plan, an additional year should be added to the schedule reflecting FY 2026 on that risk-sharing rate basis. Based on GASB guidance, a full 10 years of information should be shown in this schedule. We have shown only the current year of this Schedule of Employer Contributions below and believe that you can accumulate these in the MainePERS ACFR to show the full 10-year schedule.

Only the current year of the Notes to Schedule of Employer Contributions below needs to be included in the notes to this schedule. However, any factors that significantly affect trends in the Schedule of Employer Contributions at any point in the 10-year period should also be included in the notes to this schedule. As of June 30, 2026, we have not included such a note in the Notes to Schedule of Employer Contributions below. However, it is our expectation that the System's staff will make the final determination regarding any notes needed for this schedule, and we are available to provide any additional information that they may need for this purpose.

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**Table VI-4**
**Schedule of Employer Contributions**
**FY 2026**

| | |
|---|---|
| Actuarially Determined Contribution (ADC) | $ 119,324,164 |
| Contributions in Relation to the ADC | 119,324,164 |
| Contribution Deficiency/(Excess) | $ 0 |
| Covered Payroll (for FY 2026) | $ 1,062,631,304 |
| Contributions as a Percentage of Payroll | 11.2% |

# SECTION VI — FINANCIAL DISCLOSURE INFORMATION

## NOTES TO SCHEDULE OF EMPLOYER CONTRIBUTIONS

| | |
|---|---|
| Valuation Date: | June 30, 2024 |
| Timing: | June 30, 2026 rates based on the risk-sharing methodology calculated based on the 2024 actuarial valuation. |

## Key Methods and Assumptions Used to Determine Contribution Rates

| | |
|---|---|
| **Actuarial Cost Method:** | Entry Age Normal |
| **Asset Valuation Method:** | Three-year smoothed market |
| **Amortization Method:** | Level percentage of payroll, closed periods. Cumulative UAL from prior to 2016 amortized over a 20-year period commencing with the June 30, 2015 valuation date. Subsequent layers of pooled UAL amortized over individual 20-year periods. |
| **Discount Rate:** | 6.50% |
| **Amortization Growth Rate:** | 2.75% |
| **Price Inflation**: | 2.75% |
| **Salary Increases:** | 2.75% plus merit component based on employee's years of service |
| **Mortality:** | 112.1% and 118.5% of the 2010 Public Plan General Benefits-Weighted Healthy Annuitant Mortality Table, respectively, for males and females, using the 83.5% and 88.6% of the 2010 Public Plan General Benefits-Weighted Employee Mortality Table, respectively, for males and females, for ages prior to the start of the Healthy Annuitant Mortality Table, both projected from the 2010 base rates using MP_2020 model with an ultimate rate of 1.00% for ages 80 and under, grading down to 0.05% at age 95, and further grading down to 0.00% at age 115, along with convergence to the ultimate rates in the year 2027. |

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# SECTION VI — FINANCIAL DISCLOSURE INFORMATION

A complete description of the methods and assumptions used to determine contribution rates for the year ending June 30, 2026 can be found in the June 30, 2024 Actuarial Valuation Report.

## Other Information

None.

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# SECTION VI — FINANCIAL DISCLOSURE INFORMATION

Table VI-5 that follows is provided in this report at the request of MainePERS staff, showing the development of the average remaining service life for the Plan. GASB No. 68 requires some items be recognized by employers into pension expense over a period "equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan (active employees and inactive employees) determined as of the beginning of the measurement period." For the current measurement year ending on June 30, 2026, these values are thus developed as of June 30, 2025. Note that the decision was made to use these averages based on rounding to the nearest whole year, so the values are thus shown as such.

**Table VI-5**
**Average Expected Remaining Service Lives**
**For Measurement Year Ending June 30, 2026**

| Status | Total Expected Future Service | Count | Average Remaining Service Lives |
|---|---|---|---|
| Active Members | 140,933 | 14,066 | 10 |
| In-Pay Members | 0 | 11,073 | 0 |
| Terminated Vested Members | 0 | 3,049 | 0 |
| Inactives Due Refunds | 0 | 10,900 | 0 |
| Total Membership | 140,933 | 39,088 | 4 |

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Table VI-6 below is a gain/loss analysis of the changes in the Actuarial Liability over the past six years, reflecting variances between actual experience and assumed experience for different kinds of risk as specified in the GFOA GAAFR.

**Table VI-6**
**Analysis of Financial Experience**
**Gain and Loss in Actuarial Liability During Fiscal Years Ended June 30**
**Resulting from Differences Between Assumed Experience and Actual Experience**

| Type of Activity | Gain (or Loss) For Fiscal Year Ended June 30, 2021 | Gain (or Loss) For Fiscal Year Ended June 30, 2022 | Gain (or Loss) For Fiscal Year Ended June 30, 2023 | Gain (or Loss) For Fiscal Year Ended June 30, 2024 | Gain (or Loss) For Fiscal Year Ended June 30, 2025 | Gain (or Loss) For Fiscal Year Ended June 30, 2026 |
|---|---|---|---|---|---|---|
| Investment Income | $ 181,079,340 | $ 39,956,349 | $ 23,513,351 | $ 29,210,147 | $ 57,079,274 | $ 113,111,802 |
| Combined Liability Experience | (13,300,796) | (67,455,268) | (55,133,042) | (150,622,559) | (74,953,642) | (143,895,272) |
| Gain (or Loss) during Year from Financial Experience | $ 167,778,544 | $ (27,498,919) | $ (31,619,691) | $(121,412,412) | $ (17,874,368) | $ (30,783,470) |
| Non-Recurring Items | (161,866,111) | (16,214,107) | (20,744,234) | (863,779) | 0 | (22,267,464) |
| Composite Gain (or Loss) During Year | **$ 5,912,433** | **$ (43,713,026)** | **$ (52,363,925)** | **$(122,276,191)** | **$ (17,874,368)** | **$ (53,050,934)** |

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Table VI-7 below compares the Program's assets as of each valuation date shown to the Program's Actuarial Liability, divided into three separate groups: liabilities for contributions on deposit for current active members, liabilities for future benefits for inactive members, and employer-financed liabilities for current active members. This Schedule of Funded Liabilities by Type is used to assess funding progress based on what percentage of the liabilities for each of these groups the Program's assets are sufficient to cover. The Reported Assets are measured at actuarial value. Results would be different if market value were used. Per GFOA guidance, this schedule is to include this assessment for the 10 most recent years, and notes to this schedule should be provided to explain any factors that affect the comparability of the data. We do not believe such a note is needed for the measurement year ending June 30, 2026, but it is our expectation that the System's staff will make the final determination regarding any notes needed for this schedule.

**Table VI-7**
**Schedule of Funded Liabilities by Type**

| Valuation Date June 30, | Aggregate Actuarial Liabilities for: (1) Active Member Contributions | (2) Retirees Vested Terms, Beneficiaries | (3) Active Members (Employer Financed Portion) | Reported Assets | Portion of Actuarial Liabilities Covered by Reported Assets (1) | (2) | (3) |
|---|---|---|---|---|---|---|---|
| 2026 | $ 742,168,756 | $ 3,007,891,867 | $ 1,340,933,098 | $ 4,624,904,111 | 100% | 100% | 65% |
| 2025 | 704,542,729 | 2,874,310,101 | 1,153,215,582 | 4,284,151,576 | 100 | 100 | 61 |
| 2024 | 679,073,755 | 2,710,630,937 | 1,088,522,210 | 4,020,441,970 | 100 | 100 | 58 |
| 2023 | 639,673,576 | 2,499,768,855 | 1,026,370,370 | 3,799,744,503 | 100 | 100 | 64 |
| 2022 | 599,258,078 | 2,404,206,415 | 940,108,397 | 3,596,808,593 | 100 | 100 | 63 |
| 2021 | 561,690,222 | 2,230,697,428 | 926,628,764 | 3,388,697,748 | 100 | 100 | 64 |
| 2020 | 556,727,111 | 2,036,858,811 | 816,155,445 | 3,063,710,040 | 100 | 100 | 58 |
| 2019 | 521,610,261 | 1,927,683,260 | 809,526,084 | 2,918,585,814 | 100 | 100 | 58 |
| 2018 | 494,411,535 | 1,818,566,082 | 776,879,603 | 2,764,807,391 | 100 | 100 | 58 |
| 2017 | 472,362,260 | 1,721,058,286 | 823,240,175 | 2,609,806,231 | 100 | 100 | 51 |

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# APPENDIX A — PARTICIPATING LOCAL DISTRICT PLAN ELECTIONS

**Notes to Appendix A:**

**PLD Name:** Name of the Participating Local District

**PLD #:** MainePERS Participating Local District Number

**Regular Plan:** Identifies the Regular Plan currently adopted by the PLD.

| Plan | Accrual Rate |
|---|---|
| A | 2% |
| B | 1% |

**Special Plans:**Identifies the Special Plans, if any, currently adopted by the PLD

| Plan | Eligibility |
|---|---|
| 1 | 20 year, no age plan |
| 2 | 25 year, no age plan. |
| 3 | 25 year, no age plan. |
| 4 | Age 55 with 25 years of service. |

**COLA:** Current COLA adopted by the PLD:

| COLA |
|---|
| No =No COLA adopted for any current members |
| Yes =COLA adopted for all service of all current members |
| FO =COLA adopted for Future Service only for all current members, that is, the COLA is applicable only to the benefits attributable to service rendered after the Future Service COLA Date |
| FO-Limited =COLA adopted for Future Service only for only a subset of the PLD's current members |

**Entry Date:** Date the PLD entered the Consolidated Plan for Participating Local Districts

**FO COLA Date:** The Future Service COLA Date, the date as of which COLA is applicable for members of the PLD covered by the FO COLA

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# APPENDIX A — PARTICIPATING LOCAL DISTRICT PLAN ELECTIONS

Varied = There are multiple Future Service COLA Dates applicable to different groups of the PLD's current members

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**MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS**
**ACTUARIAL VALUATION AS OF JUNE 30, 2026**

| PLD Name | PLD # | Regular Plan | Special Plans | COLA | Entry Date | FO COLA Date |
|---|---|---|---|---|---|---|
| Acton, Town of | 0361 | A | 2 | No | 7/1/2016 | |
| Alfred, Town of | 0369 | A | | Yes | 1/1/2019 | |
| Andover, Town of | 0415 | A | | Yes | 8/1/2025 | |
| Androscoggin County | 0067 | A | 1,3 | Yes | 7/1/1994 | |
| Androscoggin Valley Council of Governments | 0231 | A | | Yes | 7/1/1996 | |
| Anson-Madison Sanitary District | 0365 | A | | Yes | 7/1/2017 | |
| Anson-Madison-Starks Ambulance Emergency Service | 0389 | A | 3 | Yes | 11/1/2022 | |
| Aroostook County | 0106 | A | 3,4 | Yes | 7/1/1994 | |
| Aroostook Waste Solutions | 0267 | A | | Yes | 7/1/1996 | |
| Arundel, Town of | 0414 | A | 3 | Yes | 8/1/2025 | |
| Ashland, Town of | 0418 | A | | No | 7/1/2022 | |
| Auburn Housing Authority | 0145 | A | | Yes | 7/1/1994 | |
| Auburn Lewiston Airport | 0256 | A | | Yes | 7/1/1996 | |
| Auburn Public Library | 0043 | A | | FO | 7/1/1996 | 7/1/2001 |
| Auburn Water and Sewer District | 0052 | A | | Yes | 7/1/1994 | |
| Auburn, City of | 0027 | A | 2,3 | Yes | 7/1/1994 | |
| Augusta Housing Authority | 0351 | A | | Yes | 4/1/2014 | |
| Augusta, City of | 0023 | A | 2,3 | Yes | 7/1/1994 | |
| Baileyville, Town of | 0069 | A | 3 | Yes | 7/1/1996 | |
| Bangor Housing Authority | 0288 | A | | Yes | 7/1/1994 | |
| Bangor Public Library | 0022 | A | | Yes | 7/1/1996 | |
| Bangor Water District | 0059 | B | | Yes | 7/1/1996 | |
| Bangor, City of | 0020 | A | 2,3 | Yes | 7/1/1996 | |
| Bar Harbor, Town of | 0015 | A | 3,4 | Yes | 7/1/1995 | |
| Bath Water District | 0019 | A | | Yes | 7/1/1994 | |

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# APPENDIX A — PARTICIPATING LOCAL DISTRICT PLAN ELECTIONS

| PLD Name | PLD # | Regular Plan | Special Plans | COLA | Entry Date | FO COLA Date |
|---|---|---|---|---|---|---|
| Bath, City of | 0073 | A | 2,3 | Yes | 7/1/1996 | |
| Baxter Academy of Technology And Sciences | 0348 | A | | Yes | 7/1/2013 | |
| Belfast Water District | 0132 | A | | Yes | 7/1/1995 | |
| Belfast, City of | 0035 | A | 3 | Yes | 7/1/1996 | |
| Belgrade, Town of | 0383 | A | 3 | Yes | 7/1/2022 | |
| Belmont, Town of | 0412 | A | | Yes | 7/1/2025 | |
| Berwick Sewer District | 0207 | A | | Yes | 7/1/1994 | |
| Berwick, Town of | 0108 | A | 1 | FO | 7/1/1996 | 7/1/2008 |
| Bethel, Town of | 0246 | A | | Yes | 7/1/1996 | |
| Biddeford Housing Authority | 0310 | A | | Yes | 7/1/2007 | |
| Biddeford, City of | 0158 | A | 3 | FO | 7/1/2010 | 7/1/2010 |
| Boothbay Harbor Sewer District | 0363 | A | | Yes | 1/1/2017 | |
| Boothbay Harbor, Town of | 0146 | A | 2,3 | Yes | 7/1/1996 | |
| Boothbay Region Water District | 0298 | A | 2 | Yes | 1/1/2002 | |
| Bowdoinham Water District | 0319 | A | | Yes | 1/1/2009 | |
| Brewer Housing Authority | 0248 | A | | Yes | 7/1/1994 | |
| Brewer, City of | 0063 | A | 2,3 | Yes | 7/1/1996 | |
| Bridgton, Town of | 0176 | A | 3 | Yes | 1/1/2020 | |
| Brownville, Town of | 0177 | A | | No | 7/1/2010 | |
| Brunswick Fire & Police | 0292 | A | 1,3 | FO | 7/1/1997 | 7/1/1997 |
| Brunswick Public Library Association | 0273 | A | | FO | 7/1/1995 | 7/1/1995 |
| Brunswick Sewer District | 0072 | A | | Yes | 7/1/1996 | |
| Brunswick, Town of | 0042 | A | 2 | FO | 7/1/1995 | 7/1/2000 |
| Buckfield, Town of | 0344 | A | | No | 1/1/2013 | |

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MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS
ACTUARIAL VALUATION AS OF JUNE 30, 2026

# APPENDIX A — PARTICIPATING LOCAL DISTRICT PLAN ELECTIONS

| PLD Name | PLD # | Regular Plan | Special Plans | COLA | Entry Date | FO COLA Date |
|---|---|---|---|---|---|---|
| Buxton, Town of | 0370 | A | 2,3 | Yes | 9/1/2020 | |
| Calais, City of | 0036 | A | | FO | 7/1/1996 | 7/1/1996 |
| Camden, Town of | 0008 | A | 3 | Yes | 7/1/1994 | |
| Cape Elizabeth Police | 0317 | A | 3 | Yes | 7/1/2008 | |
| Caribou Fire & Police | 0208 | A | 3 | FO-Limited | 7/1/1996 | 4/1/2022 |
| Carmel, Town of | 0390 | A | | Yes | 4/1/2023 | |
| Carrabassett Valley Sanitary District | 0420 | A | | No | 11/1/2025 | |
| Carrabassett Valley, Town of | 0277 | A | | FO | 7/1/1994 | 7/1/1994 |
| Casco, Town of | 0410 | A | 3 | Yes | 5/1/2025 | |
| Central Lincoln County Ambulance Service | 0422 | A | 3 | Yes | 6/1/2026 | |
| Central Maine Highlands Fire & EMS District #1 | 0409 | A | 3 | Yes | 7/1/2025 | |
| China, Town of | 0235 | A | | FO | 7/1/1996 | 7/1/2008 |
| Clinton, Town of | 0385 | A | 3 | Yes | 7/1/2022 | |
| Coastal Counties Workforce | 0301 | A | | Yes | 7/1/2003 | |
| Community Regional Charter School | 0345 | A | | Yes | 7/1/2013 | |
| Community School Dist. #912 | 0252 | A | | Yes | 7/1/1996 | |
| Corinth, Town of | 0377 | A | | Yes | 1/1/2022 | |
| Cornish, Town of | 0393 | A | | No | 5/1/2023 | |
| Cumberland County | 0005 | A | 2,3 | Yes | 7/1/1996 | |
| Cumberland, Town of | 0216 | A | 2,3 | Yes | 7/1/1995 | |
| Damariscotta, Town of | 0191 | A | | Yes | 7/1/2011 | |
| Danforth, Town of | 0367 | A | | Yes | 7/1/2017 | |
| Dayton, Town of | 0355 | A | 3 | Yes | 7/1/2014 | |
| Dedham, Town of | 0378 | A | 3 | Yes | 4/1/2022 | |

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# APPENDIX A — PARTICIPATING LOCAL DISTRICT PLAN ELECTIONS

| PLD Name | PLD # | Regular Plan | Special Plans | COLA | Entry Date | FO COLA Date |
|---|---|---|---|---|---|---|
| Dexter, Town of | 0097 | A | | Yes | 7/1/1996 | |
| Dover-Foxcroft Water District | 0137 | A | | Yes | 7/1/1994 | |
| Dover-Foxcroft, Town of | 0167 | A | | No | 7/1/1995 | |
| Durham, Town of | 0234 | A | | FO-Limited | 7/1/1996 | 7/1/2026 |
| Eagle Lake Water & Sewer District | 0274 | A | | Yes | 7/1/1996 | |
| Eagle Lake, Town of | 0443 | A | | Yes | 1/1/2026 | |
| East Millinocket, Town of | 0054 | A | 2 | Yes | 7/1/1996 | |
| Easton, Town of | 0240 | A | | Yes | 7/1/1994 | |
| Eastport, City of | 0007 | A | | Yes | 7/1/2020 | |
| Ecology Learning Center | 0025 | A | | Yes | 7/1/2020 | |
| Eddington, Town of | 0372 | A | 3 | Yes | 10/1/2020 | |
| Eliot, Town of | 0180 | A | 1 | Yes | 7/1/1994 | |
| Ellsworth, City of | 0013 | A | 2,4 | Yes | 7/1/1995 | |
| Enfield, Town of | 0001 | A | | Yes | 1/1/2020 | |
| Erskine Academy | 0249 | A | | No | 7/1/1994 | |
| Fairfield, Town of | 0260 | A | 3 | Yes | 7/1/1995 | |
| Falmouth Memorial Library | 0058 | A | | Yes | 7/1/1996 | |
| Falmouth, Town of | 0087 | A | 3 | Yes | 7/1/1996 | |
| Farmington Village Corporation | 0118 | A | | No | 7/1/1994 | |
| Farmington, Town of | 0100 | A | 1 | Yes | 7/1/1995 | |
| Fort Fairfield Housing Authority | 0275 | A | | FO | 7/1/2002 | 7/1/1994 |
| Fort Fairfield Utilities District | 0131 | A | | Yes | 7/1/1996 | |
| Fort Fairfield, Town of | 0017 | A | 3 | Yes | 7/1/2000 | |
| Fort Kent, Town of | 0091 | A | 1,2 | FO | 7/1/2019 | 7/1/2021 |

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# APPENDIX A — PARTICIPATING LOCAL DISTRICT PLAN ELECTIONS

| PLD Name | PLD # | Regular Plan | Special Plans | COLA | Entry Date | FO COLA Date |
|---|---|---|---|---|---|---|
| Franklin County | 0102 | A | 2,3 | Yes | 7/1/2006 | |
| Freeport, Town of | 0142 | A | 2,3 | FO | 7/1/2003 | 7/1/2003 |
| Frenchville, Town of | 0098 | A | | No | 7/1/1996 | |
| Fryeburg, Town of | 0149 | A | 1 | No | 1/1/2011 | |
| Gardiner Water District | 0221 | A | | No | 7/1/1994 | |
| Gardiner, City of | 0024 | A | 3 | FO | 7/1/1996 | 7/1/2009 |
| Glenburn, Town of | 0174 | A | 3 | Yes | 7/1/1994 | |
| Good Will Home Association | 0347 | A | | Yes | 7/1/2013 | |
| Gorham Fire and Police | 0334 | A | 3 | Yes | 7/1/2009 | |
| Gorham, Town of | 0133 | A | | Yes | 7/1/1996 | |
| Gould Academy | 0205 | A | | No | 7/1/1996 | |
| Gouldsboro, Town of | 0416 | A | | Yes | 8/1/2025 | |
| Grand Isle, Town of | 0312 | B | | Yes | 7/1/2008 | |
| Gray, Town of | 0399 | A | 3 | Yes | 10/1/2023 | |
| Greater Augusta Utility District | 0311 | A | | Yes | 1/1/2008 | |
| Greenville, Town of | 0112 | A | | Yes | 7/1/1996 | |
| Hallowell, City of | 0160 | A | 2 | Yes | 7/1/1996 | |
| Hampden Water District | 0183 | A | | Yes | 7/1/1996 | |
| Hampden, Town of | 0151 | A | 1,3 | FO | 7/1/1996 | 7/1/2009 |
| Hancock County | 0056 | A | 2,3 | Yes | 7/1/1994 | |
| Hancock, Town of | 0353 | A | | Yes | 7/1/2014 | |
| Harpswell Coastal Academy | 0350 | A | | Yes | 1/1/2022 | |
| Harpswell, Town of | 0270 | A | | Yes | 7/1/1994 | |
| Harrison, Town of | 0280 | B | | Yes | 7/1/1994 | |

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# APPENDIX A — PARTICIPATING LOCAL DISTRICT PLAN ELECTIONS

| PLD Name | PLD # | Regular Plan | Special Plans | COLA | Entry Date | FO COLA Date |
|---|---|---|---|---|---|---|
| Hartland, Town of | 0360 | A | | Yes | 1/1/2016 | |
| Hermon, Town of | 0150 | A | 3 | FO-Limited | 7/1/1996 | 5/1/2023 & 7/1/2026 |
| Hodgdon, Town of | 0215 | A | | FO | 7/1/1996 | 7/1/2007 |
| Holden, Town of | 0338 | A | 3,4 | Yes | 7/1/2011 | |
| Hollis, Town of | 0386 | A | 3 | Yes | 9/1/2022 | |
| Houlton Water Company | 0026 | A | | Yes | 7/1/1995 | |
| Houlton, Town of | 0010 | A | 3 | Yes | 7/1/1996 | |
| Jackman Utility District | 0294 | A | | Yes | 7/1/1996 | |
| Jay, Town of | 0045 | A | 2,3 | Yes | 7/1/1994 | |
| Kennebec County | 0047 | A | 2 | Yes | 7/1/1995 | |
| Kennebec Sanitary Treatment District | 0220 | A | | FO | 7/1/1995 | 7/1/1995 |
| Kennebec Valley Council of Governments | 0391 | A | | Yes | 2/1/2023 | |
| Kennebec Water District | 0031 | A | | Yes | 7/1/1996 | |
| Kennebunk Light & Power District | 0062 | A | | Yes | 7/1/1994 | |
| Kennebunk Sewer District | 0201 | A | | FO | 7/1/1994 | 7/1/2000 |
| Kennebunk, Kennebunkport & Wells Water District | 0255 | A | | FO | 7/1/1996 | 7/1/1999 |
| Kennebunk, Town of | 0084 | A | 1 | Yes | 7/1/1996 | |
| Kennebunkport, Town of | 0188 | A | 1 | FO | 7/1/1996 | 7/1/2006 |
| Kittery Water District | 0012 | A | | Yes | 7/1/1994 | |
| Kittery, Town of | 0014 | A | 1,3 | Yes | 7/1/1995 | |
| Knox County Sheriffs and Corrections | 0359 | A | 3 | No | 1/1/2016 | |
| Lebanon, Town of | 0181 | A | | Yes | 7/1/1996 | |
| Levant, Town of | 0339 | A | | Yes | 7/1/2011 | |

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# APPENDIX A — PARTICIPATING LOCAL DISTRICT PLAN ELECTIONS

| PLD Name | PLD # | Regular Plan | Special Plans | COLA | Entry Date | FO COLA Date |
|---|---|---|---|---|---|---|
| Lewiston Housing Authority | 0154 | A | | Yes | 7/1/1994 | |
| Lewiston, City of | 0048 | A | 3 | Yes | 7/1/1996 | |
| Lewiston/Auburn 9-1-1 | 0291 | A | 3 | Yes | 7/1/1994 | |
| Lewiston-Auburn Water Pollution Control Authority | 0163 | A | | FO | 7/1/1996 | 7/1/1996 |
| Limerick, Town of | 0375 | A | 3 | No | 10/1/2021 | |
| Limestone Water & Sewer District | 0029 | A | | Yes | 7/1/2022 | |
| Limestone, Town of | 0245 | A | | Yes | 7/1/2006 | |
| Limington, Town of | 0388 | A | 3 | Yes | 9/1/2022 | |
| Lincoln & Sagadahoc Multi-County Jail Authority | 0304 | A | 2 | Yes | 7/1/2004 | |
| Lincoln Academy | 0134 | A | | Yes | 7/1/1994 | |
| Lincoln County | 0095 | A | 2,3 | Yes | 7/1/2004 | |
| Lincoln Sanitary District | 0219 | A | | Yes | 7/1/1994 | |
| Lincoln Water District | 0092 | A | | Yes | 7/1/1994 | |
| Lincoln, Town of | 0076 | A | 3 | No | 7/1/1996 | |
| Linneus, Town of | 0214 | A | | No | 7/1/1996 | |
| Lisbon Water Department | 0243 | A | | FO | 7/1/1996 | 7/1/2007 |
| Lisbon, Town of | 0103 | A | 3 | Yes | 7/1/1996 | |
| Littleton, Town of | 0423 | A | | Yes | 6/1/2026 | |
| Livermore Falls Water District | 0032 | A | | Yes | 7/1/1994 | |
| Livermore Falls, Town of | 0109 | A | 1 | FO-Limited | 7/1/1996 | 7/1/2021 & 7/1/2026 |
| Livermore, Town of | 0392 | A | | No | 2/1/2023 | |
| Lovell, Town of | 0276 | A | | Yes | 7/1/1996 | |
| Lubec Water District | 0088 | A | | Yes | 7/1/1996 | |

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# APPENDIX A — PARTICIPATING LOCAL DISTRICT PLAN ELECTIONS

| PLD Name | PLD # | Regular Plan | Special Plans | COLA | Entry Date | FO COLA Date |
|---|---|---|---|---|---|---|
| Lubec, Town of | 0228 | A | | No | 7/1/1996 | |
| Lyman, Town of | 0373 | A | | Yes | 12/1/2020 | |
| M.A.D.S.E.C. | 0297 | A | | Yes | 7/1/1999 | |
| Machias, Town of | 0397 | A | 2 | Yes | 9/1/2023 | |
| Madawaska Water District | 0236 | A | | Yes | 7/1/1994 | |
| Madawaska, Town of | 0082 | A | 3 | Yes | 7/1/1996 | |
| Maine Academy of Natural Sciences | 0346 | A | | Yes | 7/1/2013 | |
| Maine County Commissioners Association | 0225 | A | | No | 7/1/1996 | |
| Maine Maritime Academy | 0038 | A | | Yes | 7/1/1996 | |
| Maine Municipal Association | 0055 | A | | Yes | 7/1/2009 | |
| Maine Municipal Bond Bank | 0093 | A | | Yes | 7/1/1995 | |
| Maine Principals' Association | 0105 | A | | Yes | 7/1/1994 | |
| Maine Public Employees Retirement System | 0290 | A | | Yes | 7/1/1994 | |
| Maine School Management Association | 0239 | A | | Yes | 7/1/1994 | |
| Maine School of Science and Mathematics | 0352 | A | | Yes | 7/1/2014 | |
| Maine State Housing Authority | 0169 | A | | Yes | 7/1/2005 | |
| Maine Turnpike Authority | 0049 | A | | Yes | 7/1/1994 | |
| Maine Veterans' Home | 0271 | A | | Yes | 7/1/1994 | |
| Maine Virtual Academy | 0357 | A | | Yes | 7/1/2015 | |
| Mapleton, Castle Hill, & Chapman, Town of | 0265 | A | | Yes | 7/1/1996 | |
| Mars Hill Utility District | 0283 | A | | Yes | 7/1/1994 | |
| Mars Hill, Town of | 0227 | A | | Yes | 7/1/1996 | |
| Mechanic Falls Sanitary District | 0282 | A | | FO | 7/1/1994 | 7/1/2002 |
| Mechanic Falls, Town of | 0114 | A | 3 | Yes | 7/1/1994 | |

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# APPENDIX A — PARTICIPATING LOCAL DISTRICT PLAN ELECTIONS

| PLD Name | PLD # | Regular Plan | Special Plans | COLA | Entry Date | FO COLA Date |
|---|---|---|---|---|---|---|
| Medway, Town of | 0194 | A | | Yes | 7/1/1996 | |
| Mexico, Town of | 0074 | A | 2 | Yes | 7/1/1996 | |
| Midcoast Council of Governments | 0343 | A | | Yes | 7/1/2012 | |
| Mi'kmaq Nation | 0405 | A | 1 | Yes | 3/1/2025 | |
| Milford, Town of | 0186 | A | 3 | FO-Limited | 7/1/1996 | 8/1/2024 |
| Millinocket, Town of | 0003 | A | 3,4 | Yes | 7/1/1996 | |
| Milo Water District | 0238 | A | | No | 7/1/1996 | |
| Milo, Town of | 0104 | A | 3 | Yes | 1/1/2026 | |
| Monmouth, Town of | 0316 | A | 3 | Yes | 7/1/2008 | |
| Monson, Town of | 0184 | A | | No | 7/1/1996 | |
| Mount Desert Island Regional School District | 0120 | A | | Yes | 7/1/1996 | |
| Mount Desert Water District | 0300 | A | | Yes | 7/1/2003 | |
| Mount Desert, Town of | 0016 | A | 2 | Yes | 7/1/1996 | |
| MSAD #33 St Agatha | 0419 | B | | Yes | 8/1/2025 | |
| Municipal Review Committee | 0404 | A | | Yes | 1/1/2024 | |
| New Gloucester, Town of | 0210 | A | 3 | FO | 7/1/1995 | 7/1/2007 |
| New Sweden, Town of | 0400 | A | | Yes | 11/1/2024 | |
| Newport Water District | 0313 | A | | Yes | 7/1/2008 | |
| Newport, Town of | 0314 | A | 2,3 | Yes | 7/1/2008 | |
| Newry, Town of | 0387 | A | | Yes | 7/1/2022 | |
| Norridgewock, Town of | 0402 | A | 3 | Yes | 12/1/2023 | |
| North Berwick Water District | 0308 | A | | Yes | 7/1/2006 | |
| North Berwick, Town of | 0254 | A | 3 | No | 7/1/1996 | |

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# APPENDIX A — PARTICIPATING LOCAL DISTRICT PLAN ELECTIONS

| PLD Name | PLD # | Regular Plan | Special Plans | COLA | Entry Date | FO COLA Date |
|---|---|---|---|---|---|---|
| North Yarmouth, Town of | 0395 | A | 3 | Yes | 8/1/2023 | |
| Northern Aroostook Regional Airport Authority | 0374 | A | 2 | Yes | 7/1/2021 | |
| Northern Oxford Regional Ambulance Service DBA Med-Care Ambulance | 0403 | A | 3 | Yes | 1/1/2024 | |
| Northern Oxford Regional Solid Waste Board | 0354 | A | | Yes | 7/1/2014 | |
| Norway Water District | 0136 | A | | FO | 7/1/1995 | 7/1/2000 |
| Norway, Town of | 0125 | A | 2,3 | FO | 7/1/1996 | 7/1/2000 |
| Oakland, Town of | 0376 | A | 3 | Yes | 10/1/2021 | |
| Ogunquit, Town of | 0303 | A | 1 | Yes | 7/1/2004 | |
| Old Orchard Beach, Town of | 0140 | A | 3 | Yes | 7/1/2003 | |
| Old Town Housing Authority | 0262 | A | | FO | 7/1/1994 | 7/1/1994 |
| Old Town Water District | 0079 | A | | FO | 7/1/1994 | 1/1/2022 |
| Old Town, City of | 0111 | A | 2,3 | No | 7/1/1995 | |
| Orland, Town of | 0166 | A | | No | 7/1/1996 | |
| Orono Veazie Water District | 0407 | A | | Yes | 1/1/2025 | |
| Orono, Town of | 0061 | A | 3 | FO | 7/1/1996 | 7/1/2002 |
| Orrington, Town of | 0209 | A | 3 | No | 7/1/1995 | |
| Otis, Town of | 0364 | A | | Yes | 7/1/2017 | |
| Otisfield, Town of | 0193 | A | | FO | 7/1/1996 | 7/1/1996 |
| Oxford County | 0057 | A | 1,2,4 | Yes | 7/1/1994 | |
| Oxford, Town of | 0200 | A | 1 | No | 7/1/1996 | |
| Paris Utility District | 0159 | A | | Yes | 7/1/1995 | |
| Paris, Town of | 0127 | A | 2 | Yes | 7/1/1996 | |
| Parsonsfield, Town of | 0408 | B | | Yes | 2/1/2025 | |

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# APPENDIX A — PARTICIPATING LOCAL DISTRICT PLAN ELECTIONS

| PLD Name | PLD # | Regular Plan | Special Plans | COLA | Entry Date | FO COLA Date |
|---|---|---|---|---|---|---|
| Passamaquoddy Tribe at Indian Township | 0244 | A | 3 | Yes | 10/1/2025 | |
| Passamaquoddy Tribe at Pleasant Point | 0411 | A | 3 | Yes | 5/1/2025 | |
| Penobscot County | 0011 | A | 2,3 | Yes | 7/1/1994 | |
| Penquis | 0237 | A | | No | 7/1/1995 | |
| Phippsburg, Town of | 0202 | A | 3 | Yes | 7/1/1996 | |
| Piscataquis County | 0121 | A | 3 | Yes | 7/1/1994 | |
| Pittsfield, Town of | 0110 | A | | No | 7/1/1996 | |
| Pleasant Point Passamaquoddy Reservation Housing Authority | 0165 | A | | Yes | 7/1/1996 | |
| Poland, Town of | 0336 | A | 1 | FO | 7/1/2010 | Varied |
| Portland Housing Authority | 0185 | A | | Yes | 7/1/1994 | |
| Portland Public Library | 0041 | A | | Yes | 7/1/1995 | |
| Portland, City of | 0002 | A | 2,3 | Yes | 7/1/1995 | |
| Presque Isle Industrial Council | 0406 | A | | Yes | 1/1/2025 | |
| Presque Isle, City of | 0004 | A | 3 | Yes | 1/1/2020 | |
| Princeton, Town of | 0258 | A | | No | 7/1/1996 | |
| Rangeley, Town of | 0382 | A | 2 | Yes | 7/1/2022 | |
| Raymond, Town of | 0394 | A | 3 | Yes | 9/1/2023 | |
| Regional School Unit #01 | 0315 | A | 2 | Yes | 7/1/2008 | |
| Regional School Unit #02 | 0323 | A | | FO | 7/1/2009 | 7/1/2009 |
| Regional School Unit #04 | 0324 | A | | Yes | 7/1/2009 | |
| Regional School Unit #05 | 0325 | A | | Yes | 7/1/2009 | |
| Regional School Unit #09 | 0119 | A | | Yes | 7/1/1995 | |
| Regional School Unit #10 | 0326 | A | | Yes | 7/1/2009 | |

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# APPENDIX A — PARTICIPATING LOCAL DISTRICT PLAN ELECTIONS

| PLD Name | PLD # | Regular Plan | Special Plans | COLA | Entry Date | FO COLA Date |
|---|---|---|---|---|---|---|
| Regional School Unit #20 | 0328 | A | | Yes | 7/1/2009 | |
| Regional School Unit #21 | 0322 | A | | FO | 7/1/2009 | 7/1/2009 |
| Regional School Unit #23 | 0329 | A | | Yes | 7/1/2009 | |
| Regional School Unit #25 | 0321 | A | | No | 7/1/2009 | |
| Regional School Unit #26 | 0330 | A | | Yes | 7/1/2009 | |
| Regional School Unit #29 | 0168 | A | | Yes | 7/1/1996 | |
| Regional School Unit #34 | 0331 | A | | No | 7/1/2009 | |
| Regional School Unit #49 | 0189 | A | | No | 7/1/1995 | |
| Regional School Unit #51 | 0198 | A | | No | 7/1/1996 | |
| Regional School Unit #52 | 0461 | A | | Yes | 11/1/2021 | |
| Regional School Unit #54 | 0115 | A | | Yes | 7/1/1996 | |
| Regional School Unit #56 | 0366 | A | | Yes | 7/1/2017 | |
| Regional School Unit #60 | 0187 | A | | No | 7/1/1994 | |
| Regional School Unit #67 | 0126 | A | | Yes | 7/1/2016 | |
| Regional School Unit #73 | 0340 | A | | Yes | 7/1/2011 | |
| Regional School Unit #75 | 0380 | A | | Yes | 5/1/2022 | |
| Richmond Utilities District | 0242 | A | | FO-Limited | 7/1/1994 | 1/1/2023 |
| Richmond, Town of | 0213 | A | 3 | Yes | 7/1/2007 | |
| Rockland, City of | 0018 | A | 3 | Yes | 7/1/1995 | |
| Rockport, Town of | 0161 | A | 3 | FO-Limited | 7/1/1996 | 1/1/2021 |
| RSU #28 - MSAD #28 Camden/Rockport | 0078 | A | | Yes | 1/1/2025 | |
| RSU #35 - MSAD #35 | 0396 | A | | Yes | 7/1/2023 | |
| RSU #87 - MSAD #23 - School Support | 0398 | A | | Yes | 10/1/2023 | |
| Rumford Fire & Police | 0060 | A | 2,4 | Yes | 7/1/1995 | |

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# APPENDIX A — PARTICIPATING LOCAL DISTRICT PLAN ELECTIONS

| PLD Name | PLD # | Regular Plan | Special Plans | COLA | Entry Date | FO COLA Date |
|---|---|---|---|---|---|---|
| Rumford Mexico Sewerage District | 0247 | A | | Yes | 7/1/1996 | |
| Rumford Water District | 0065 | A | | Yes | 7/1/1995 | |
| Rumford, Town of | 0090 | A | | Yes | 7/1/1995 | |
| Sabattus, Town of | 0175 | A | 1,3 | FO | 7/1/1996 | 7/1/2006 |
| Saco, City of | 0192 | A | 2,3 | FO-Limited | 7/1/1995 | Varied |
| Sagadahoc County | 0096 | A | 2,3 | Yes | 7/1/2002 | |
| Sanford Housing Authority | 0152 | A | | Yes | 7/1/1996 | |
| Sanford Sewerage District | 0089 | A | | No | 7/1/1994 | |
| Sanford Water District | 0170 | A | | FO | 7/1/1996 | 7/1/2009 |
| Sanford, City of | 0083 | A | 1,3 | FO | 7/1/1995 | 7/1/2002 |
| Scarborough, Town of | 0147 | A | 1,3 | Yes | 7/1/1996 | |
| School Administrative District No. 13 Bingham | 0223 | A | | Yes | 7/1/1996 | |
| School Administrative District No. 31 Howland | 0050 | A | | FO | 7/1/1994 | 7/1/1994 |
| School Administrative District No. 41 Milo | 0143 | A | | Yes | 7/1/1996 | |
| School Administrative District No. 53 Pittsfield | 0129 | A | | No | 7/1/1996 | |
| Searsport Water District | 0124 | A | | No | 7/1/1996 | |
| Searsport, Town of | 0117 | A | 3 | No | 7/1/1996 | |
| Shapleigh, Town of | 0381 | A | | No | 7/1/2022 | |
| Skowhegan, Town of | 0080 | A | 3 | Yes | 7/1/1996 | |
| Somerset County | 0101 | A | 2,3 | Yes | 7/1/2005 | |
| South Berwick Sewer District | 0299 | A | | Yes | 7/1/2003 | |
| South Berwick Water District | 0171 | A | 2 | Yes | 7/1/1996 | |
| South Berwick, Town of | 0141 | A | 1 | FO | 7/1/1996 | 7/1/1996 |
| South Portland Housing Authority | 0206 | A | | Yes | 7/1/1996 | |

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# APPENDIX A — PARTICIPATING LOCAL DISTRICT PLAN ELECTIONS

| PLD Name | PLD # | Regular Plan | Special Plans | COLA | Entry Date | FO COLA Date |
|---|---|---|---|---|---|---|
| South Portland, City of | 0009 | A | 3 | Yes | 7/1/1995 | |
| Southern Aroostook Emergency Medical Services | 0384 | A | 3 | Yes | 9/1/2022 | |
| Southwest Harbor, Town of | 0368 | A | 2 | Yes | 7/1/2018 | |
| St. Agatha, Town of | 0030 | A | | Yes | 7/1/1996 | |
| Standish, Town of | 0371 | A | 2,3 | FO | 1/1/2021 | 9/1/2023 |
| Thomaston, Town of | 0164 | A | 3 | Yes | 1/1/2010 | |
| Thompson Free Library | 0318 | A | | Yes | 1/1/2009 | |
| Topsham Sewer District | 0307 | A | | Yes | 7/1/2005 | |
| Topsham, Town of | 0081 | A | 2,3 | Yes | 7/1/1996 | |
| Trenton, Town of | 0341 | A | | Yes | 7/1/2011 | |
| Union, Town of | 0342 | A | | No | 7/1/2012 | |
| United Technologies Center, Region 4, S Penobscot | 0269 | A | | FO | 7/1/1996 | 7/1/2009 |
| University of Maine System | 0379 | A | 2 | Yes | 7/1/2022 | |
| Van Buren Housing Authority | 0229 | A | | Yes | 7/1/1994 | |
| Van Buren, Town of | 0182 | A | 3 | Yes | 7/1/1995 | |
| Vassalboro, Town of | 0153 | A | | Yes | 7/1/1996 | |
| Veazie Fire & Police | 0305 | A | 3 | Yes | 7/1/2004 | |
| Waldo County | 0046 | A | 2,3 | Yes | 7/1/1994 | |
| Waldo County Technical Center | 0224 | A | | No | 7/1/1996 | |
| Waldoboro, Town of | 0195 | A | 3 | Yes | 7/1/1995 | |
| Washburn Water and Sewer District | 0335 | A | | No | 7/1/2009 | |
| Washburn, Town of | 0230 | A | | No | 7/1/1994 | |
| Washington County | 0040 | A | 3,4 | Yes | 7/1/1996 | |

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# APPENDIX A — PARTICIPATING LOCAL DISTRICT PLAN ELECTIONS

| PLD Name | PLD # | Regular Plan | Special Plans | COLA | Entry Date | FO COLA Date |
|---|---|---|---|---|---|---|
| Waterville Sewerage District | 0222 | A | | Yes | 7/1/1994 | |
| Waterville, City of | 0066 | A | 3 | FO-Limited | 7/1/1996 | Varied |
| Wells Fire and Police | 0349 | A | 1 | Yes | 7/1/2013 | |
| Wells Ogunquit Community School District #918 | 0266 | A | | FO | 7/1/1995 | 7/1/1995 |
| Wells, Town of | 0107 | A | 3 | FO-Limited | 1/1/2018 | 7/1/2020 & 2/1/2025 |
| West Bath, Town of | 0333 | A | 3 | Yes | 7/1/2009 | |
| Westbrook Fire & Police | 0070 | A | 1,3 | Yes | 7/1/2006 | |
| Westbrook, City of | 0122 | A | 3 | Yes | 7/1/2006 | |
| Wilton, Town of | 0086 | A | 2,3 | FO | 1/1/2009 | 1/1/2009 |
| Windham, Town of | 0309 | A | 3 | Yes | 7/1/2006 | |
| Winslow, Town of | 0362 | A | 3 | Yes | 1/1/2017 | |
| Winter Harbor Utility District | 0250 | A | | Yes | 7/1/1994 | |
| Winter Harbor, Town of | 0413 | A | | Yes | 7/1/2025 | |
| Winthrop Utilities District | 0337 | A | 3 | Yes | 1/1/2011 | |
| Winthrop, Town of | 0179 | A | 2,3 | FO | 7/1/1994 | 7/1/2003 |
| Wiscasset, Town of | 0417 | A | 3 | FO-Limited | 1/1/2012 | 7/1/2020 |
| Yarmouth Water District | 0278 | A | | Yes | 7/1/1994 | |
| Yarmouth, Town of | 0116 | A | 1 | Yes | 7/1/1996 | |
| York County | 0037 | A | 1,2,3 | Yes | 7/1/1996 | |
| York Sewer District | 0139 | A | | FO | 7/1/1994 | 7/1/2006 |
| York Water District | 0039 | A | | Yes | 7/1/1996 | |
| York, Town of | 0028 | A | 2,3 | Yes | 7/1/1994 | |

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# APPENDIX B — MEMBERSHIP INFORMATION

## Active Member Data as of June 30, 2026

| | | |
|---|---|---|
| **Regular Plan Members** | | |
| Count | | 9,925 |
| Average Current Age | | 46.8 |
| Average Benefit Service | | 7.1 |
| Average Vesting Service | | 7.5 |
| Average Valuation Pay | $ | 65,414 |
| **Special Plan Members** | | |
| Count | | 4,549 |
| Average Current Age | | 38.9 |
| Average Benefit Service | | 9.0 |
| Average Vesting Service | | 9.2 |
| Average Valuation Pay | $ | 91,549 |
| **All Plan Members** | | |
| Count | | 14,474 |
| Average Current Age | | 44.3 |
| Average Benefit Service | | 7.7 |
| Average Vesting Service | | 8.0 |
| Average Valuation Pay | $ | 73,628 |

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MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM CONSOLIDATED PLAN FOR
PARTICIPATING LOCAL DISTRICTS
ACTUARIAL VALUATION AS OF JUNE 30, 2026

# APPENDIX B — MEMBERSHIP INFORMATION

## Participating Local Districts of the Maine Public Employees Retirement System
## Inactive Member Data as of June 30, 2026
## Regular Plans

| | Count | Average Age | Total Annual Benefit | Average Annual Benefit |
|---|---|---|---|---|
| Retired | 6,746 | 73.9 | $ 123,131,015 | $ 18,252 |
| Retired - Concurrent Beneficiary | 360 | 73.1 | 1,570,546 | 4,363 |
| Disability - Section 1122 | 15 | 82.6 | 206,664 | 13,778 |
| Disability – Sections 3 and 3A | 265 | 69.1 | 7,279,351 | 27,469 |
| Beneficiary of Above | 1,138 | 73.6 | 14,225,938 | 12,501 |
| Pre-Retirement Death Beneficiary | 139 | 68.4 | 1,030,968 | 7,417 |
| Terminated Vested | 2,613 | 51.9 | 17,212,025 | 6,587 |
| Inactive Due Refund | 10,136 | NA | NA | NA |

There are no actives in Special 4N Plan, so all remaining inactive participants were transferred to the Regular Plan.

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# APPENDIX B — MEMBERSHIP INFORMATION

## Participating Local Districts of the Maine Public Employees Retirement System
## Inactive Member Data as of June 30, 2026
## Special Plans

| | Count | Average Age | Total Annual Benefit | Average Annual Benefit |
|---|---|---|---|---|
| Retired | 1,804 | 67.9 | $ 78,864,341 | $ 43,716 |
| Retired - Concurrent Beneficiary | 343 | 68.9 | 2,814,427 | 8,205 |
| Disability - Section 1122 | 11 | 78.1 | 312,545 | 28,413 |
| Disability – Sections 3 and 3A | 122 | 63.2 | 4,697,718 | 38,506 |
| Beneficiary of Above | 340 | 73.6 | 8,084,226 | 23,777 |
| Pre-Retirement Death Beneficiary | 24 | 59.1 | 199,429 | 8,310 |
| Terminated Vested | 530 | 45.8 | 6,430,666 | 12,133 |
| Inactive Due Refund | 1,094 | NA | NA | NA |

There are no actives in Special 4N Plan, so all remaining inactive participants were transferred to the Regular Plan.

In preparing this report, we relied on data provided by MainePERS as modified following the procedures outlined in the State of Maine Data Processing Notebook. Adjustments to the data are made based on this Processing Notebook. Accuracy of the results is dependent on the completeness of the underlying information. The plan sponsor is responsible for the validity and completeness of the information provided. We believe the data provided, as modified as documented in the Processing Notebook, is sufficient for the actuarial analysis performed.

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MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS
ACTUARIAL VALUATION AS OF JUNE 30, 2026

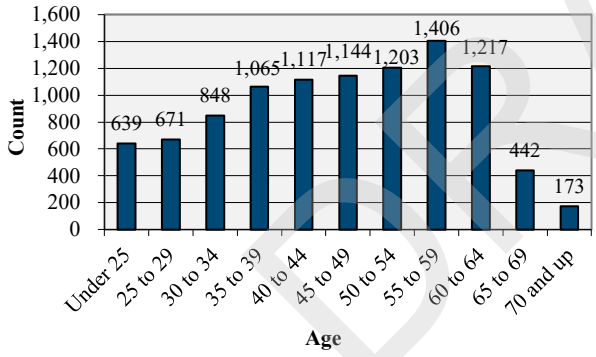
# APPENDIX B — MEMBERSHIP INFORMATION

## Distribution of Active Members
## As of June 30, 2026

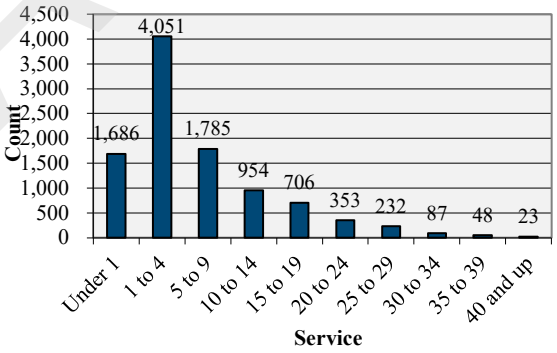
**Regular Plan Participants**

| | Years of Service | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Under 1 | 1 to 4 | 5 to 9 | 10 to 14 | 15 to 19 | 20 to 24 | 25 to 29 | 30 to 34 | 35 to 39 | 40 and up | Totals |
| **Under 25** | 367 | 264 | 8 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 639 |
| **25 to 29** | 183 | 414 | 73 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 671 |
| **30 to 34** | 163 | 463 | 181 | 40 | 1 | 0 | 0 | 0 | 0 | 0 | 848 |
| **35 to 39** | 192 | 542 | 227 | 79 | 24 | 1 | 0 | 0 | 0 | 0 | 1,065 |
| **40 to 44** | 192 | 500 | 218 | 119 | 68 | 18 | 2 | 0 | 0 | 0 | 1,117 |
| **45 to 49** | 162 | 462 | 231 | 133 | 92 | 42 | 21 | 1 | 0 | 0 | 1,144 |
| **50 to 54** | 147 | 428 | 247 | 152 | 109 | 73 | 42 | 5 | 0 | 0 | 1,203 |
| **55 to 59** | 130 | 470 | 246 | 166 | 175 | 101 | 66 | 32 | 20 | 0 | 1,406 |
| **60 to 64** | 93 | 338 | 254 | 181 | 150 | 79 | 69 | 27 | 20 | 6 | 1,217 |
| **65 to 69** | 35 | 121 | 81 | 66 | 60 | 27 | 21 | 15 | 5 | 11 | 442 |
| **70 and up** | 22 | 49 | 19 | 17 | 27 | 12 | 11 | 7 | 3 | 6 | 173 |
| **Total** | 1,686 | 4,051 | 1,785 | 954 | 706 | 353 | 232 | 87 | 48 | 23 | 9,925 |

**Age Distribution**




**Service Distribution**

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**MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS**
**ACTUARIAL VALUATION AS OF JUNE 30, 2026**

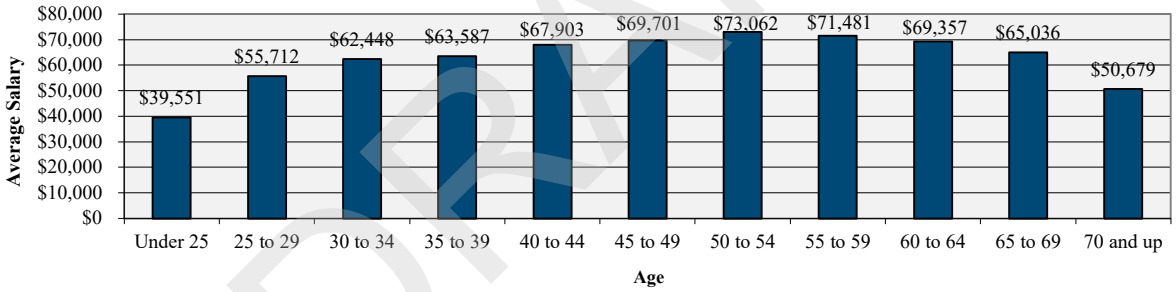
# APPENDIX B — MEMBERSHIP INFORMATION

## Distribution of Active Members
## As of June 30, 2026

**Regular Plan Participants - Average Salary**

| | Years of Service | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Under 1 | 1 to 4 | 5 to 9 | 10 to 14 | 15 to 19 | 20 to 24 | 25 to 29 | 30 to 34 | 35 to 39 | 40 and up | Average |
| **Under 25** | 32,245 | 49,074 | 60,412 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 39,551 |
| **25 to 29** | 48,047 | 56,498 | 70,690 | 39,585 | 0 | 0 | 0 | 0 | 0 | 0 | 55,712 |
| **30 to 34** | 48,934 | 61,984 | 70,168 | 87,031 | 99,881 | 0 | 0 | 0 | 0 | 0 | 62,448 |
| **35 to 39** | 48,523 | 62,808 | 69,193 | 83,398 | 82,158 | 94,109 | 0 | 0 | 0 | 0 | 63,587 |
| **40 to 44** | 53,508 | 64,044 | 71,778 | 84,023 | 91,207 | 84,642 | 90,279 | 0 | 0 | 0 | 67,903 |
| **45 to 49** | 56,089 | 62,477 | 74,164 | 78,682 | 91,934 | 90,733 | 87,580 | 83,079 | 0 | 0 | 69,701 |
| **50 to 54** | 61,157 | 66,364 | 71,605 | 82,076 | 92,089 | 82,235 | 89,459 | 107,962 | 0 | 0 | 73,062 |
| **55 to 59** | 54,777 | 65,267 | 67,536 | 75,213 | 84,213 | 84,061 | 88,169 | 87,947 | 87,291 | 0 | 71,481 |
| **60 to 64** | 54,807 | 61,268 | 65,883 | 76,083 | 79,597 | 76,016 | 82,026 | 85,981 | 81,817 | 89,008 | 69,357 |
| **65 to 69** | 49,369 | 52,712 | 63,400 | 69,645 | 75,184 | 84,605 | 82,436 | 70,105 | 92,071 | 79,034 | 65,036 |
| **70 and up** | 38,411 | 38,249 | 45,166 | 54,316 | 58,554 | 67,151 | 63,111 | 65,167 | 83,283 | 79,936 | 50,679 |
| **Average** | 48,079 | 61,223 | 69,389 | 78,433 | 84,332 | 82,202 | 84,833 | 83,522 | 85,258 | 81,871 | 65,414 |

**Average Salary Distribution**

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MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM CONSOLIDATED PLAN FOR
PARTICIPATING LOCAL DISTRICTS
ACTUARIAL VALUATION AS OF JUNE 30, 2026

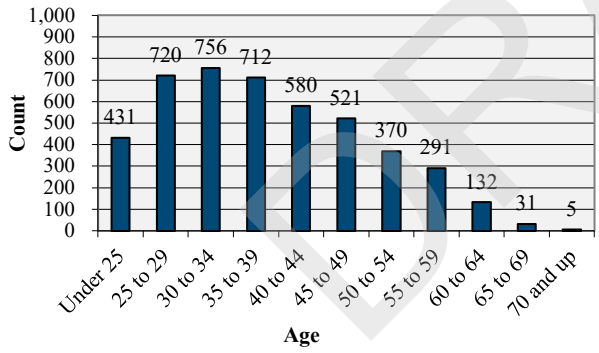
# APPENDIX B — MEMBERSHIP INFORMATION

## Distribution of Active Members
## As of June 30, 2026

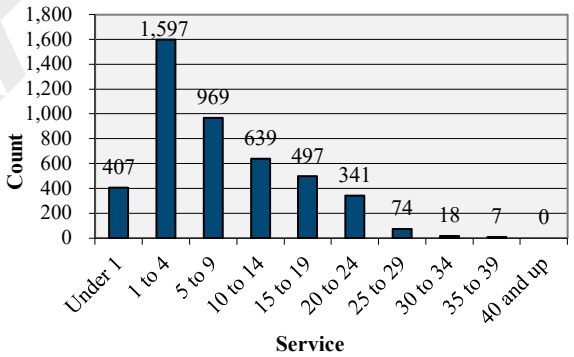
**Special Plan Participants**

| | Years of Service | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Under 1 | 1 to 4 | 5 to 9 | 10 to 14 | 15 to 19 | 20 to 24 | 25 to 29 | 30 to 34 | 35 to 39 | 40 and up | Totals |
| **Under 25** | 130 | 290 | 11 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 431 |
| **25 to 29** | 81 | 432 | 205 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 720 |
| **30 to 34** | 68 | 276 | 303 | 109 | 0 | 0 | 0 | 0 | 0 | 0 | 756 |
| **35 to 39** | 48 | 223 | 176 | 200 | 65 | 0 | 0 | 0 | 0 | 0 | 712 |
| **40 to 44** | 30 | 129 | 106 | 137 | 136 | 42 | 0 | 0 | 0 | 0 | 580 |
| **45 to 49** | 22 | 98 | 78 | 74 | 133 | 101 | 15 | 0 | 0 | 0 | 521 |
| **50 to 54** | 12 | 74 | 35 | 51 | 74 | 92 | 26 | 5 | 1 | 0 | 370 |
| **55 to 59** | 10 | 47 | 33 | 42 | 60 | 68 | 21 | 8 | 2 | 0 | 291 |
| **60 to 64** | 3 | 23 | 17 | 16 | 25 | 34 | 8 | 3 | 3 | 0 | 132 |
| **65 to 69** | 2 | 5 | 5 | 5 | 4 | 4 | 4 | 2 | 0 | 0 | 31 |
| **70 and up** | 1 | 0 | 0 | 3 | 0 | 0 | 0 | 0 | 1 | 0 | 5 |
| **Total** | 407 | 1,597 | 969 | 639 | 497 | 341 | 74 | 18 | 7 | 0 | 4,549 |

**Age Distribution**




**Service Distribution**

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**MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS**
**ACTUARIAL VALUATION AS OF JUNE 30, 2026**

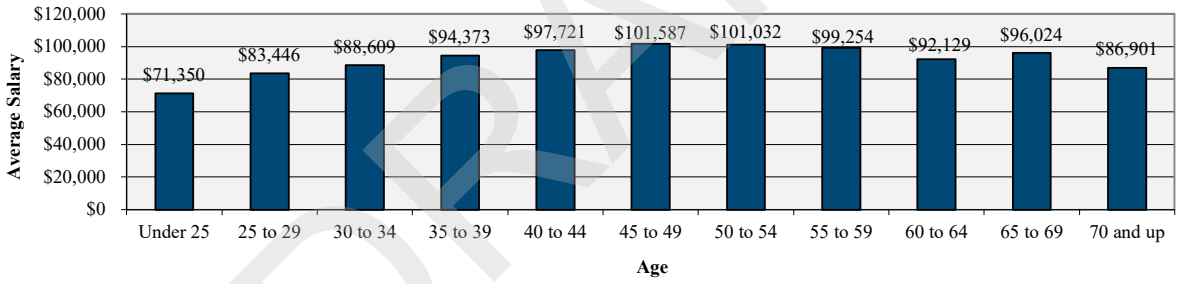
# APPENDIX B — MEMBERSHIP INFORMATION

## Distribution of Active Members
## As of June 30, 2026

**Special Plan Participants - Average Salary**

| | Years of Service | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Under 1 | 1 to 4 | 5 to 9 | 10 to 14 | 15 to 19 | 20 to 24 | 25 to 29 | 30 to 34 | 35 to 39 | 40 and up | Average |
| **Under 25** | 59,512 | 76,361 | 79,158 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 71,350 |
| **25 to 29** | 59,270 | 82,319 | 95,302 | 90,573 | 0 | 0 | 0 | 0 | 0 | 0 | 83,446 |
| **30 to 34** | 60,987 | 81,535 | 95,115 | 105,664 | 0 | 0 | 0 | 0 | 0 | 0 | 88,609 |
| **35 to 39** | 63,728 | 83,999 | 93,514 | 106,054 | 118,977 | 0 | 0 | 0 | 0 | 0 | 94,373 |
| **40 to 44** | 64,232 | 86,327 | 94,165 | 97,249 | 111,825 | 121,477 | 0 | 0 | 0 | 0 | 97,721 |
| **45 to 49** | 64,084 | 86,521 | 93,916 | 99,019 | 107,712 | 119,650 | 131,636 | 0 | 0 | 0 | 101,587 |
| **50 to 54** | 76,369 | 85,438 | 88,029 | 103,703 | 100,213 | 112,254 | 125,296 | 132,116 | 111,800 | 0 | 101,032 |
| **55 to 59** | 82,703 | 89,440 | 81,076 | 101,369 | 104,228 | 104,044 | 112,963 | 119,395 | 131,540 | 0 | 99,254 |
| **60 to 64** | 51,555 | 79,421 | 88,497 | 85,795 | 96,277 | 106,764 | 94,493 | 86,657 | 83,247 | 0 | 92,129 |
| **65 to 69** | 66,319 | 106,668 | 80,642 | 78,743 | 91,721 | 153,313 | 94,948 | 76,952 | 0 | 0 | 96,024 |
| **70 and up** | 43,930 | 0 | 0 | 99,920 | 0 | 0 | 0 | 0 | 90,813 | 0 | 86,901 |
| **Average** | 61,806 | 82,306 | 93,557 | 101,991 | 108,070 | 113,878 | 118,111 | 112,756 | 102,205 | 0 | 91,549 |

**Average Salary Distribution**

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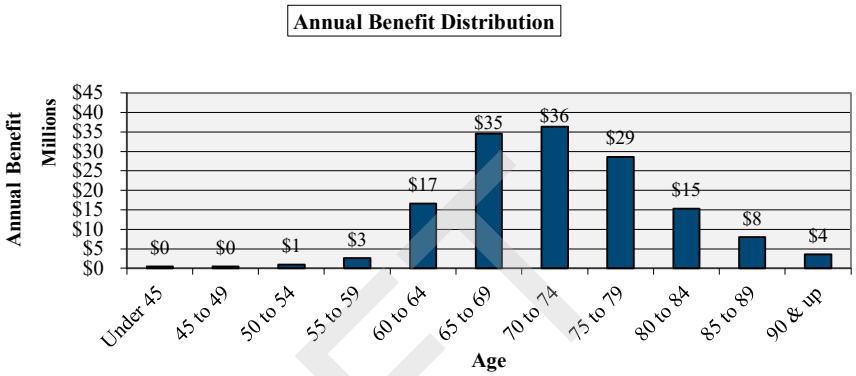
**MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS**
**ACTUARIAL VALUATION AS OF JUNE 30, 2026**

# APPENDIX B — MEMBERSHIP INFORMATION

**Distribution of Retirees, Disabled Members, Beneficiaries, and Survivors**
**As of June 30, 2026**

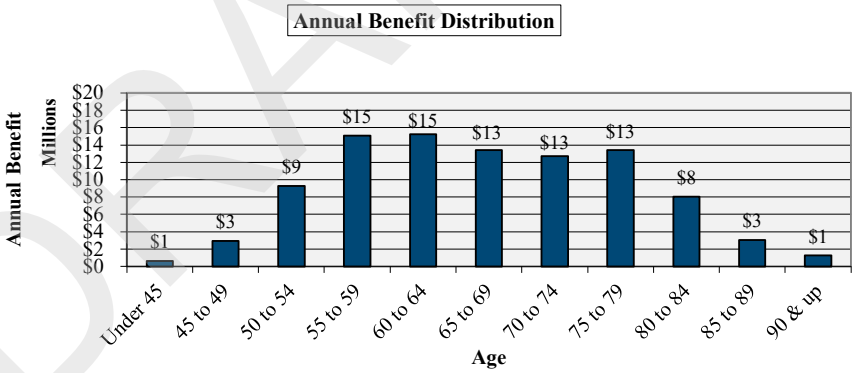
**Regular Plan Participants**

| Age | Count | Annual Benefit |
|---|---|---|
| Under 45 | 77 | $ 460,006 |
| 45 to 49 | 34 | 493,875 |
| 50 to 54 | 61 | 951,952 |
| 55 to 59 | 129 | 2,586,536 |
| 60 to 64 | 819 | 16,652,030 |
| 65 to 69 | 1,855 | 34,573,720 |
| 70 to 74 | 2,125 | 36,288,844 |
| 75 to 79 | 1,700 | 28,584,518 |
| 80 to 84 | 994 | 15,296,631 |
| 85 to 89 | 563 | 7,956,616 |
| 90 & up | 306 | 3,599,754 |
| Total | 8,663 | $ 147,444,482 |




**Special Plan Participants**

| Age | Count | Annual Benefit |
|---|---|---|
| Under 45 | 26 | $ 607,816 |
| 45 to 49 | 71 | 2,947,986 |
| 50 to 54 | 214 | 9,282,049 |
| 55 to 59 | 366 | 15,064,137 |
| 60 to 64 | 389 | 15,217,476 |
| 65 to 69 | 373 | 13,407,129 |
| 70 to 74 | 365 | 12,721,074 |
| 75 to 79 | 402 | 13,385,112 |
| 80 to 84 | 269 | 8,032,831 |
| 85 to 89 | 115 | 3,052,655 |
| 90 & up | 54 | 1,254,421 |
| Total | 2,644 | $ 94,972,686 |




There are no actives in Special 4N Plan, so all remaining inactive participants were transferred to the Regular Plan.

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**MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS**
**ACTUARIAL VALUATION AS OF JUNE 30, 2026**

| | Active Members | Retired Members | Beneficiaries of Retired Members | Survivors of Deceased Members | Disabled Members | Terminated Vested Members |
|---|---|---|---|---|---|---|
| **As of June 30, 2025** | **14,066** | **8,339** | **2,159** | **161** | **414** | **3,049** |
| New hires | 1,972 | | | | | |
| Rehires | 208 | | | | | (64) |
| New PLDs or expanded coverage | 54 | | | | | |
| Movement between plans | (1) | 0 | 0 | | | (4) |
| New retirees | (271) | 469 | | | | (194) |
| New disabled retirees | (11) | | | | 20 | (8) |
| New beneficiaries due to retirements | | | 45 | | | |
| New deferred vested members | (370) | | | | | 475 |
| Non-vested terminations | (831) | | | | | |
| Refunds | (321) | | | | | (82) |
| Deaths, no future benefits | (2) | (189) | (99) | (14) | (10) | (6) |
| Deaths with a survivor or beneficiary | (6) | (68) | 78 | 15 | (11) | (10) |
| Benefits expired | | | | (1) | | |
| Benefits restarted | | | | 2 | | |
| Records combined / split | | | | | | |
| Data correction | (13) | (1) | (2) | 0 | 0 | (13) |
| **As of June 30, 2026** | **14,474** | **8,550** | **2,181** | **163** | **413** | **3,143** |

Former disabled retirees who have changed to service retirement as mandated by the Plan are still included as disabled members. Deferred vested members include those indicated to us in the data who have terminated and are eligible for a future annuity.

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# APPENDIX C — SUMMARY OF PLAN PROVISIONS

## 1. Member Contributions

Beginning with FY 2020, the contribution rates for members are determined annually based on the risk-sharing framework adopted by the Board of Trustees. The rates for members of Regular Plans (AC, AN, and BC) also vary based on whether the member joined the Plan prior to July 1, 2014 and thus has a normal retirement age of 60 or joined on or after this date and has a normal retirement age of 65. See the Annual PLD Contribution Rate letter for further details.

Member contributions earn annual interest at the rate adopted by the Board of Trustees each February.

## 2. Average Final Compensation

For purposes of determining benefits payable, average final compensation is the average annual rate of earnable compensation for the three years of creditable service (not necessarily consecutive) that produce the highest such average.

## 3. Creditable Service

Creditable service includes service while a member, certain service prior to the establishment of the Plan, purchased service credit of which there are several types, and service while receiving disability benefits under the Plan.

Effective August 1, 2019, the ability to use accrued, unused vacation and sick leave towards retirement benefits is available only to those who have 20 or more years of creditable service under the Plan at retirement.

## 4. Service Retirement Benefits

### REGULAR PLAN AC

Normal Retirement Age:

Plan members prior to July 1, 2014: 60

New members to the Plan on or after July 1, 2014: 65

Eligibility for Members in Active Service and Inactive Members: 25 years of creditable service.

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# APPENDIX C — SUMMARY OF PLAN PROVISIONS

Eligibility Alternative for Members in Active Service: At least one year of creditable service immediately before retirement and at least normal retirement age.

Eligibility for Members not in Active Service at Retirement and not in Active Service on or after October 1, 1999: At least 10 years of creditable service and at least normal retirement age.

Eligibility for Members not in Active Service at Retirement but in Active Service on or after October 1, 1999: At least five years of creditable service and at least normal retirement age.

Benefit: 1/50 of average final compensation multiplied by years of membership service under Consolidated Plan AC reduced by:

Plan members prior to July 1, 2014: approximately 2¼% for each year that a member is younger than age 60 at retirement.

New members to the Plan on or after July 1, 2014: 6% for each year that a member is younger than age 65 at retirement.

Beginning July 1, 2019, the age reduction factors are a set of approximately actuarially equivalent rates rather than the above rates for members with less than 20 years of creditable service under the PLD Consolidated Plan on July 1, 2019. The above 2¼% and 6% rates remain in effect for those members with 20 or more years of creditable service under the PLD Consolidated Plan on July 1, 2019.

Form of Payment: Life annuity ("full benefit") unless an optional method of payment is selected.

Cost-of-Living Adjustment: See item 11.

### REGULAR PLAN AN

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

### REGULAR PLAN BC

Normal Retirement Age:

Plan members prior to July 1, 2014: 60

New members to the Plan on or after July 1, 2014: 65

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# APPENDIX C — SUMMARY OF PLAN PROVISIONS

Eligibility for Members in Active Service and Inactive Members: 25 years of creditable service.

Eligibility Alternative for Members in Active Service: At least one year of creditable service immediately before retirement and at least normal retirement age.

Eligibility for Members not in Active Service at Retirement and not in Active Service on or after October 1, 1999: At least 10 years of creditable service and at least normal retirement age.

Eligibility for Members not in Active Service at Retirement but in Active Service on or after October 1, 1999: At least five years of creditable service and at least normal retirement age.

Benefit: 1/100 of average final compensation multiplied by years of membership service under Consolidated Plan BC reduced by:

Plan members prior to July 1, 2014: approximately 2¼% for each year that a member is younger than age 60 at retirement.

New members to the Plan on or after July 1, 2014: 6% for each year that a member is younger than age 65 at retirement.

Beginning July 1, 2019, the age reduction factors are a set of approximately actuarially equivalent rates rather than the above rates for members with less than 20 years of creditable service under the PLD Consolidated Plan on July 1, 2019. The above 2¼% and 6% rates remain in effect for those members with 20 or more years of creditable service under the PLD Consolidated Plan on July 1, 2019.

Form of Payment: Life annuity ("full benefit") unless an optional method of payment is selected.

Cost-of-Living Adjustment: See item 11.

Regular Plan Notes

1. Under certain circumstances, Regular Plan service can count on a pro-rata basis specific to the applicable Special Plan toward meeting Special Plan benefit eligibility requirements.

2. The actual benefit for service earned prior to coverage under the Consolidated Plan may be based on a variable percentage of average final compensation multiplied by years of service under any previous plan(s) (the percentage depends on the previous plan(s)).

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# APPENDIX C — SUMMARY OF PLAN PROVISIONS

### SPECIAL PLAN 1C

Eligibility: 20 years of creditable service in named positions.

Benefit: One-half of average final compensation plus 2% for each year of service in excess of 20 years of service.

Form of Payment: Life annuity ("full benefit") unless an optional method of payment is selected.

Cost-of-Living Adjustment: See item 11.

### SPECIAL PLAN 1N

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

### SPECIAL PLAN 2C

Eligibility: 25 years of creditable service in named positions.

Benefit: One-half average final compensation plus 2% for each year of service in excess of 25 years of service.

Form of Payment: Life annuity ("full benefit") unless an optional method of payment is selected.

Cost-of-Living Adjustment: See item 11.

### SPECIAL PLAN 2N

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

### SPECIAL PLAN 3C

Eligibility: 25 years of creditable service in named positions.

Benefit: Two-thirds of average final compensation plus 2% for each year of service in excess of 25 years of service.

Form of Payment: Life annuity ("full benefit") unless an optional method of payment is selected.

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# APPENDIX C — SUMMARY OF PLAN PROVISIONS

Cost-of-Living Adjustment: See item 11.

### SPECIAL PLAN 3N

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

### SPECIAL PLAN 4C

Eligibility: Age 55 with 25 years of creditable service in named positions.

Benefit: 1/50 of average final compensation multiplied by years of membership service under Consolidated Plan 4C reduced by:

Plan members prior to July 1, 2014: approximately 2¼% for each year that a member is younger than age 55 at retirement.

New members to the Plan on or after July 1, 2014: 6% for each year that a member is younger than age 55 at retirement.

Beginning July 1, 2019, the age reduction factors are a set of approximately actuarially equivalent rates rather than the above rates for members with less than 20 years of creditable service under the PLD Consolidated Plan on July 1, 2019. The above 2¼% and 6% rates remain in effect for those members with 20 or more years of creditable service under the PLD Consolidated Plan on July 1, 2019.

Form of Payment: Life annuity ("full benefit") unless an optional method of payment is selected.

Cost-of-Living Adjustment: See item 11.

### SPECIAL PLAN 4N

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

### SPECIAL PLAN NOTES

A. If a Special Plan member fails to meet the Special Plan eligibility criteria, their service retirement benefit is that provided by the applicable underlying Regular Plan; Special Plan service credits are used toward Regular Plan eligibility requirements.

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# APPENDIX C — SUMMARY OF PLAN PROVISIONS

B. Service in all Special Plans counts, on a percentage basis, toward meeting the benefit eligibility requirements of any Special Plan.

C. The actual benefit for service earned prior to coverage under the Consolidated Plan may be based on a variable percentage of average final compensation multiplied by years of service under any previous Plan(s) (the percentage depends on the previous Plan(s)).

**MINIMUM SERVICE RETIREMENT BENEFIT**

$100 per month.

## 5. Disability Retirement Benefits Other Than No-Age Benefits (See Item 6)

Eligibility: Disabled as defined in the MainePERS statutes prior to applicable normal retirement age, employed prior to October 16, 1992, and did not elect the No-Age Disability Benefits, and either disabled in the line-of-duty or disabled with at least five years of creditable service.

Benefit: 66⅔% of average final compensation, reduced by employment earnings over the specified statutory limit, and to the extent that the benefit in combination with Workers' Compensation, exceeds 80% of average final compensation.

Form of Payment: Payment begins upon the termination of service and ceases on cessation of disability or after five years unless the member is unable to engage in any substantially gainful activity, in which case payments cease on the earlier of 10 years following normal retirement age or the date that the service retirement benefit equals or exceeds the disability benefit.

Conversion to Service Retirement: During the period of disability, service is credited and average final compensation is increased at the same rate as any cost-of-living adjustments for which the member is eligible (see item 11). On the date when service benefits reach a level of 66⅔% of average final compensation or 10 years after the normal retirement date if earlier, the disability converts to a service retirement benefit based on service and average final compensation at that time.

## 6. No-Age Disability Retirement Benefits

Eligibility: Disabled as defined in the MainePERS statutes, employed on or after October 16, 1992 or employed prior to October 16, 1992 and elected the provisions of No-Age Disability, and either disabled in the line-of-duty or disabled with at least five years of creditable service.

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# APPENDIX C — SUMMARY OF PLAN PROVISIONS

Benefit: 59% of average final compensation, reduced by employment earnings over the specified statutory limit, and to the extent that the benefit, in combination with Workers' Compensation and Social Security, exceeds 80% of average final compensation.

Form of Payment: Payment begins upon the termination of service and ceases on cessation of disability or after five years, unless the member is unable to engage in any substantially gainful activity, in which case payments cease on the date the service retirement benefit equals or exceeds the disability benefit.

Conversion to Service Retirement: During the period of disability, service is credited and average final compensation is increased at the same rate as any cost-of-living adjustments for which the member is eligible (see item 11). On the date when service benefits reach a level of 59% of average final compensation, the disability benefit converts to a service retirement benefit based on service and average final compensation at that time.

## 7. Pre-Retirement Ordinary Death Benefits

Eligibility: Death while active, inactive eligible to retire, or disabled not resulting from an injury received in the line of duty.

Benefit: Designated beneficiary, spouse, children, or parents entitled to benefit calculated as if the deceased member had retired under Option 2 (see item 12); however, the beneficiary may elect survivor benefits payable to a surviving spouse, dependent children, parent, or other designated beneficiaries in monthly amounts varying by the status of beneficiary and number of eligible survivors. Otherwise, accumulated contributions with interest are payable to the designated beneficiary, spouse, children, older parents, or estate.

## 8. Pre-Retirement Accidental Death Benefits

Eligibility: Death while active or disabled resulting from an injury received in the line of duty.

**BENEFIT:**

- If the member leaves no dependent children, two-thirds of the member's average final compensation to the surviving spouse until death.

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# APPENDIX C — SUMMARY OF PLAN PROVISIONS

- If the member is survived by a spouse who has the care of dependent children of the member, the surviving spouse shall receive an annual sum equal to the member's average final compensation while having the care of dependent children. When there are no longer any dependent children, the surviving spouse shall receive two-thirds of the member's average final compensation until death.
- If the member is survived by a spouse who does not have the care of the member's dependent children, the surviving spouse and dependent children shall share equally an annual sum equal to the member's average final compensation. When there are no longer any dependent children, the surviving spouse shall receive two-thirds of the member's average final compensation until death.
- If the member leaves no spouse, the dependent children shall share an annual amount equal to the member's average final compensation. Benefits will cease when the last dependent child no longer meets the definition of "dependent child."

## 9. Termination Benefit

Eligibility: Termination of service other than by retirement or death with at least five years of creditable service.

Benefit: The member's choice of a refund of the accumulated contributions with interest or a retirement benefit using creditable service and average final compensation as of the date of termination, deferred to normal retirement age.

## 10. Refund of Contributions

Eligibility: Termination of service other than by retirement or death with less than five years of creditable service.

Benefit: Refund of member's accumulated contributions with interest.

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# APPENDIX C — SUMMARY OF PLAN PROVISIONS

## 11. Cost-of-Living Adjustments (COLA)

All service and disability retirement and survivor benefits payable to (or in relation to) benefit recipients who were employed by a PLD that elected a Plan that provides for a COLA are adjusted each year that there is a percentage change in the Consumer Price Index, based on the Index. If the percentage change is negative, then no adjustment is made in that year. In subsequent years, the adjustment that would have been made will be adjusted downward to the extent necessary to recoup the full actuarial value of not having made the previous year's negative adjustment. This process of adjustment may occur over a multi-year period if needed to recoup the full value of negative changes in the Index.

Cost-of-living adjustments (COLA) are effective September 1 of each year and are applied to all benefits in a Plan that provides for a COLA that have been in payment for six months for retirees who retire prior to September 1, 2015, 12 months for retirees who retired on or after September 1, 2015, and 24 months for those who retire on or after September 1, 2019.

The maximum annual increase is 2.5%, applicable to COLAs issued in September 2018 and later (prior to this, 3% for the 2014 through 2017 COLAs and 4% prior to the 2014 COLA).

Possible downward adjustments to future COLAs may occur if severe market losses result in contribution rates under the risk-sharing contribution methodology that exceed the contribution caps for PLD and member rates under this methodology. In this eventuality, a reduced COLA may be paid to retirees.

An extra 1.0% COLA was granted to eligible retirees at September 1, 2022.

## 12. Methods of Payment of Service Retirement Benefits

At retirement, a member who retires with a benefit must choose from the following methods of payment:

Full Benefit: Unadjusted benefit paid for the life of the member-only.

Option 1: Cash refund equal to the remaining member contribution balance, if any, at the date of death (where the member contribution balance has been reduced each month by the portion of the monthly benefit deemed to be provided by member contributions).

Option 2: 100% joint and survivor annuity.

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# APPENDIX C — SUMMARY OF PLAN PROVISIONS

Option 3: 50% joint and survivor annuity.

Option 4: Joint and survivor annuity at any percentage other than those available under Option 2 and Option 3.

Option 5: Designated percentage of the benefit (not less than 51%) payable to the member, with the remaining percentage (the two to equal 100%) payable to a beneficiary (may only be a sole beneficiary) while both are alive. At the death of either, the higher of the two percentages is paid to the survivor for the survivor's life, and the lower-percentage benefit ceases to be paid.

Option 6: 100% joint and survivor annuity (Option 2) with pop-up*.

Option 7: 50% joint and survivor annuity (Option 3) with pop-up*.

Option 8: Option 4 with pop-up*.

* The "pop-up" feature attached to a given Option means that in the case of a beneficiary predeceasing the member, the member's benefit will be revised prospectively to the amount that the benefit would have been had the member selected Full Benefit payment upon retirement.

## 13. Plan Changes Since Prior Valuation

The offset of Maine Public Employees Retirement System disability retirement benefits by Social Security benefits for the same condition was eliminated as of January 1, 2024. Retroactive payments of previously offset benefits plus cost-of-living-adjustments and interest at 6.5% were also provided. These changes were first reflected in the June 30, 2026 valuation.

This Appendix C is intended to be a brief summary of provisions. In the event of a dispute, applicable statutes and administrative policy supersede this report description.

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# APPENDIX D — ACTUARIAL ASSUMPTIONS AND METHODS

## A. Actuarial Assumptions

### 1. Annual Rate of Investment Return

| | |
|---|---|
| PLDs | 6.50% |

Rate is net of both administrative and investment expense.

### 2. LDROM Discount Rate

| | |
|---|---|
| PLDs | 4.85% |

### 3. Cost-of-Living Adjustment (COLA) Assumed Rate

| | |
|---|---|
| PLDs | 1.91% |

### 4. Sample Rates of Individual Salary Increases (% at Selected Years of Service)

| Years of Service | PLD |
|---|---|
| 0 | 12.51% |
| 1 | 11.48 |
| 2 | 6.09 |
| 3 | 5.32 |
| 4 | 4.81 |
| 5 | 4.81 |
| 10 | 4.29 |
| 15 | 4.03 |
| 20 | 3.52 |
| 25 | 3.01 |
| 30 | 2.75 |

The above rates include a 2.75% across-the-board increase at each year of service.

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# APPENDIX D — ACTUARIAL ASSUMPTIONS AND METHODS

### 5. Sample Rates of Termination (% at Selected Years of Service)

| Service | Regular | Special |
|---|---|---|
| 0 | 29.5% | 18.00 |
| 1 | 22.0 | 14.35 |
| 2 | 15.5 | 10.25 |
| 3 | 14.0 | 9.3 |
| 4 | 11.0 | 7.0 |
| 5 | 10.0 | 6.9 |
| 10 | 5.5 | 4.0 |
| 15 | 4.5 | 3.0 |
| 20 | 4.0 | 3.0 |
| 25 | 4.0 | 0.0 |

Non-vested members are assumed to take a refund of contributions with interest. Once vested, the member is assumed to elect the greater of the deferred vested benefit or a refund of member contributions with interest based on present value at the time of termination.

### 6. Sample Rates of Mortality for Healthy Annuitant Lives at Selected Ages (number of deaths per 10,000 members)

| | (Showing values in 2026) | |
|---|---|---|
| Age | Male | Female |
| 50 | 32 | 28 |
| 55 | 46 | 34 |
| 60 | 70 | 45 |
| 65 | 100 | 63 |
| 70 | 151 | 105 |
| 75 | 262 | 195 |
| 80 | 486 | 375 |
| 85 | 899 | 733 |
| 90 | 1,651 | 1,342 |
| 95 | 2,685 | 2,208 |

Rates are based on 112.7% and 117.3% of the 2016 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, respectively, for males and females. The recommended rates are projected generationally using the published IRS-Adjusted MP-2021 scale.

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# APPENDIX D — ACTUARIAL ASSUMPTIONS AND METHODS

## 7. Sample Rates of Mortality for Active Lives at Selected Ages (number of deaths per 10,000 members)*

| | (Showing values in 2026) | |
|---|---|---|
| Age | Male | Female |
| 20 | 4 | 1 |
| 25 | 5 | 1 |
| 30 | 6 | 2 |
| 35 | 8 | 3 |
| 40 | 11 | 5 |
| 45 | 14 | 6 |
| 50 | 18 | 9 |
| 55 | 26 | 13 |
| 60 | 41 | 21 |
| 65 | 59 | 31 |

*For Regular Plans, 5% of deaths assumed to arise out of and in the course of employment, while for Special Plans, 20% of deaths are assumed to arise out of and in the course of employment.*

Rates are based on 119.9% and 101.0% of the 2016 Public Plan General Benefits-Weighted Employee Mortality Table, respectively, for males and females. These rates are generationally projected using the same version of the MP-2021 scale as described for the healthy annuitant mortality.

## 8. Sample Rates of Mortality for Disabled Annuitant Lives at Selected Ages (number of deaths per 10,000 members)

| | (Showing values in 2026) | |
|---|---|---|
| Age | Male | Female |
| 25 | 42 | 13 |
| 30 | 40 | 22 |
| 35 | 44 | 34 |
| 40 | 56 | 47 |
| 45 | 75 | 62 |
| 50 | 99 | 89 |
| 55 | 146 | 137 |
| 60 | 229 | 217 |
| 65 | 275 | 235 |
| 70 | 315 | 273 |

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# APPENDIX D — ACTUARIAL ASSUMPTIONS AND METHODS

Rates are based on 114.5% and 127.7% of the 2016 Public Plan Non-Safety Benefits-Weighted Disabled Retiree Mortality Table, respectively, for males and females. These rates are generationally projected using the same version of the MP-2021 scale described for the healthy annuitant mortality.

### 9. Sample Rates of Mortality for Contingent Survivor Lives at Selected Ages (number of deaths per 10,000 members)

| | (Showing values in 2026) | |
|---|---|---|
| Age | Male | Female |
| 45 | 57 | 27 |
| 50 | 75 | 30 |
| 55 | 84 | 43 |
| 60 | 103 | 64 |
| 65 | 130 | 91 |
| 70 | 180 | 135 |
| 75 | 293 | 216 |
| 80 | 520 | 377 |
| 85 | 915 | 691 |
| 90 | 1,601 | 1,251 |

Rates are based on 98.8% and 110.6% of the 2016 Public Plan Contingent Survivor Mortality Table, respectively, for males and females. These rates are generationally projected using the same version of the MP-2021 model as described in the healthy annuitant mortality.

### 10. Sample Rates of Retirement at Selected Ages

**Regular Plans**

| Age | NRA 60 | NRA 65 |
|---|---|---|
| 55 | N/A | N/A |
| 60 | 15% | 3% |
| 65 | 30 | 24 |
| 70 | 25 | 22 |
| 75 | 100 | 100 |

NRA 60 refers to those who were members prior to July 1, 2014, and NRA 65 refers to those who became members on or after July 1, 2014.

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# APPENDIX D — ACTUARIAL ASSUMPTIONS AND METHODS

**Special Plans**

| Years of Service | Plan 1 | Plans 2-4 |
|---|---|---|
| 20 | 60% | 25% |
| 21 | 60 | 25 |
| 22 | 45 | 25 |
| 23 | 35 | 30 |
| 24 | 40 | 20 |
| 25 | 35 | 50 |
| 26 | 40 | 32 |
| 27 | 25 | 30 |
| 28 | 25 | 30 |
| 29 | 25 | 40 |
| 30 | 23 | 23 |
| 31 | 25 | 25 |
| 32 | 20 | 20 |
| 33 | 25 | 25 |
| 34 | 25 | 25 |
| 35 | 35 | 35 |
| 36-37 | 50 | 50 |
| 38+ | 100 | 100 |

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Note that all retirement rates are only applied once the member is eligible to retire, so those in 25-year Plans are not assumed to retire at 20 years of service. For Special Plan retirements with less than 20 years of service, we assume 25% retire. We assume 100% retirement at age 75.

# APPENDIX D — ACTUARIAL ASSUMPTIONS AND METHODS

## 11. Sample Rates of Disability at Selected Ages (number becoming disabled per 10,000 members)*

| Age | Regular | Special |
|---|---|---|
| 25 | 0.9 | 2.0 |
| 30 | 1.0 | 2.5 |
| 35 | 1.5 | 3.8 |
| 40 | 3.3 | 12.3 |
| 45 | 10.3 | 21.0 |
| 50 | 14.5 | 35.5 |
| 55 | 20.3 | 60.0 |
| 60 | 28.8 | 70.0 |
| 65+ | 30.0 | 70.0 |

*10% assumed to receive Social Security and/or Workers Compensation benefits offsetting disability benefit.*

## 12. Family Composition Assumptions

80% of male active members are assumed to be married and have two children born when the member is 30 and 34; children are assumed dependent until age 18; a female spouse is assumed to be two years younger than a male member; member is assumed to have no dependent parents.

50% of female active members are assumed to be married and have two children born when the member is 28 and 32; children are assumed dependent until age 18; a male spouse is assumed to be one year older than a female member; member is assumed to have no dependent parents.

An unmarried member is assumed to have beneficiaries entitled to benefits worth 80% as much as those of married members' beneficiaries.

## 13. Technical and Miscellaneous Assumptions

Decrement Timing: Middle of the valuation year.

Pay Increase Timing: Salary provided is treated as the rate of pay as of the valuation date. Annual increases are applied as of the beginning of each subsequent valuation.

Member Contribution Interest Rate: Reflects actual historical member contribution interest rates from 1970 through the valuation; future contribution interest assumed to equal the inflation assumption of 2.75%.

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# APPENDIX D — ACTUARIAL ASSUMPTIONS AND METHODS

Member Contribution Rates: For purposes of developing liability amounts, the member contribution rates developed based on the prior year's valuation are assumed to continue for all periods in the future.

### 14. Rationale for Assumptions

The demographic assumptions were adopted by the Board of Trustees at their May 14, 2026. The demographic assumptions adopted were based on an experience study covering the period from July 1, 2020 through June 30, 2025.

The economic assumptions were adopted by the Board of Trustees at their June 11, 2026 meeting. The economic assumptions adopted were based on an experience study of economic factors through May 2026 along with advice of the MainePERS investment consultants.

In our professional judgment, the combined effect of the assumptions has no significant bias.

The LDROM discount rate is the single equivalent rate determined by matching System cashflows to US Treasury Securities yields as of the measurement date as published by the Federal Reserve.

### 15. Assumption Changes Since Last Valuation

The mortality, termination, retirement, disability, salary increase rates and family composition assumptions were updated based on the most recent experience study.

The LDROM discount rate was updated to 4.85% based on Treasury yields as of June 30, 2026.

### 16. Rationale for Change in Actuarial Assumptions

The demographic assumption changes are based on an experience study covering the period from July 1, 2020 through June 30, 2025. Please see the July 2026 experience study report for the rationale for the changes.

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# APPENDIX D — ACTUARIAL ASSUMPTIONS AND METHODS

## 17. Disclosure for Reasonable Actuarially Determined Contribution Method

The rates developed in the ratesetting process in Table I-2 meet the requirements on a Total Plan basis of a reasonable ADC as defined by the actuarial standards of practice. The actuarial methods used to determine the reasonable actuarially determined contribution have been selected to balance benefit security, intergenerational equity, and stability of contributions. The selection of the actuarial methods has taken into account the demographics of plan members, the funding goals and objectives of the Board, and the need to accumulate assets to make benefit payments when due. The Actuarially Determined Contribution disclosed in this report represents a reasonable actuarially determined contribution in accordance with Actuarial Standard of Practice (ASOP) No. 4.

## 18. Disclosure of Models Used

ProVal: Cheiron utilizes ProVal, an actuarial valuation software leased from Winklevoss Technologies (WinTech) to calculate the liabilities, normal costs, and projected benefit payments. We have relied on WinTech as the developer of ProVal. We have reviewed ProVal and have a basic understanding of it and have used ProVal in accordance with its original intended purpose. We have not identified any material inconsistencies in assumptions or output of ProVal that would affect this actuarial valuation.

Projection Model: This report includes projections of future contributions, assets, liabilities, and funded status for the purpose of assisting the Board of Trustees with the management of the Fund. We have used Cheiron's P-Scan to develop these projections. The model is also used to stress test the impact of volatile asset returns over the projection period.

The P-Scan projection uses projected benefit payments for current members for the first 10 years and then assumes a growth rate for future years of 3% per year. The P-Scan projection uses standard roll-forward techniques that implicitly assume a stable active population. Changes in the demographic characteristics of the active population will lead to different results.

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# APPENDIX D — ACTUARIAL ASSUMPTIONS AND METHODS

## B. Actuarial Methods

### 1. Funding and LDROM Cost Method

The Entry Age Normal Actuarial Cost Method is used to determine costs and the actuarially determined contributions needed to fund the Plan. The actuarially determined contributions are then used to develop the specific rates for both members and PLDs for each specific Regular and Special Plan within the Plan. Under this cost method, the Actuarially Determined Plan Total Rate consists of two elements: the Actuarially Determined Plan Normal Cost Rate and the Actuarially Determined Plan UAL Amortization Rate.

For each of the Regular and Special Plans in the Consolidated Plan, an individual Entry Age Normal Cost Rate is determined for each active member. The normal cost is determined by the following steps. First, an individual normal cost rate is determined by taking the value, as of entry age into a Plan, of each active member's projected future benefits. Second, this value is then divided by the value, also at entry age, of the member's expected future salary. These rates are then multiplied by each member's salary as of the valuation date to get the total normal cost dollars as of the valuation date for that Plan. These individual amounts for each Regular and Special Plan are then added to get the total normal cost dollars for the Plan, and then divided by the total payroll for the Plan to get the Actuarially Determined Plan Normal Cost Rate.

The Unfunded Actuarial Liability under the Entry Age Normal Cost Method equals the present value, at the time of valuation, of the future benefit payments less the present value of future normal costs, future member contributions, future IUUAL payments, and current assets. Under the Consolidated Plan, the Actuarially Determined Plan UAL Amortization Rate is calculated for the Consolidated Plan in total based on the pooled UAL being amortized over a 20-year period commencing with the June 30, 2015 valuation date and any layers of pooled UAL arising after that date amortized over individual 20-year periods. This amortization uses a level percentage of pay method with payroll assumed to increase at 2.75% per year. The amortization payment thus derived for the valuation year is then divided by the total payroll to develop the Actuarially Determined Plan UAL Amortization Rate. Amortization payments are assumed to be made each pay period.

The risk-sharing framework adopted by the Board of Trustees is then used to develop individual PLD and member rates for each Regular and Special Plan within the Plan based on the Actuarially Determined Plan Total Rate. The allocation to each specific Plan from the Total Rate is based on the normal cost rate for each specific Plan relative to the Plan in total. For the three Regular Plans, member rates are developed separately for members under the provisions with an age 60 normal retirement age and members under the provisions with an age 65 normal retirement age.

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# APPENDIX D — ACTUARIAL ASSUMPTIONS AND METHODS

In addition to the development of rates for each Plan, the actual contribution for a given PLD will include an Individual Unpooled Unfunded Actuarial Liability (IUUAL) payment as well, unless the PLD came into the Plan without an IUUAL or has paid off its IUUAL. The Initial Unpooled Unfunded Actuarial Liability (IUUAL) was calculated at entry into the Consolidated Plan for each PLD that entered with liabilities in excess of their assets and is paid off through payment of a specific dollar amount until paid off.

### 2. Asset Valuation Method

For purposes of determining member and PLD contributions to the Plan and the Plan's funded status, we use an Actuarial Value of Assets. The asset adjustment method dampens the volatility in asset values that could occur because of fluctuations in market conditions. Use of an asset smoothing method is consistent with the long-term nature of the actuarial valuation process.

In determining the Actuarial Value of Assets, we calculate an expected actuarial value based on the cash flows for the year and imputed returns at the actuarial assumption. This expected value is compared to the actual market value at the valuation date and one-third of the difference is added to the preliminary actuarial value to arrive at the final actuarial value.

### 3. FASB ASC 960 Cost Method

The cost method for valuation of liabilities for FASB ASC 960 purposes is the Unit Credit Cost Method. This is one of a family of valuation methods known as accrued benefits methods. The chief characteristic of accrued benefits methods is that the funding pattern follows the pattern of benefit accrual. The accrued liability, which is determined for each Participant as of each valuation date, represents the actuarial present value of each Participant's benefit earned prior to the valuation date.

### 4. Method Changes Since Last Valuation

None.

### 5. Rationale for Changes

N/A.

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# APPENDIX E — GLOSSARY OF GASB TERMS

## 1. Actuarially Determined Contribution

A target or recommended contribution for the reporting period, determined in conformity with Actuarial Standards of Practice based on the most recent measurement available when the contribution for the reporting period was adopted.

## 2. Actuarial Valuation Date

The date as of which an actuarial valuation is performed. This date may be up to 24 months prior to the measurement date and up to 30 months prior to the employer's reporting date.

## 3. Deferred Inflow of Resources

An acquisition of net assets by a government employer that is applicable to a future reporting period. In the context of GASB 68, these are experience gains on the Total Pension Liability, assumption changes reducing the Total Pension Liability, or investment gains that are recognized in future reporting periods.

## 4. Deferred Outflow of Resources

A consumption of net assets by a government employer that is applicable to a future reporting period. In the context of GASB 68, these are experience losses on the Total Pension Liability, assumption changes increasing the Total Pension Liability, or investment losses that are recognized in future reporting periods.

## 5. Entry Age Actuarial Cost Method

The actuarial cost method required for GASB Nos. 67 and 68 calculations. Under this method, the actuarial present value of the projected benefits of each individual, included in an actuarial valuation, is allocated on a level basis over the earnings of the individual between entry age and assumed exit ages. The portion of this actuarial present value allocated to a valuation year is called the Service Cost. The portion of this actuarial present value not provided for at a valuation date by the actuarial present value of future service costs is called the Total Pension Liability.

## 6. Measurement Date

The date as of which the Total Pension Liability and Plan Fiduciary Net Position are measured. The Total Pension Liability may be projected from the Actuarial Valuation Date to the Measurement Date. The Measurement Date must be the same as the Reporting Date for the Plan.

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# APPENDIX E — GLOSSARY OF GASB TERMS

## 7. Net Pension Liability

The liability of employers and non-employer contributing entities for employees for benefits provided through a defined benefit pension plan. It is calculated as the Total Pension Liability less the Plan Fiduciary Net Position.

## 8. Plan Fiduciary Net Position

The fair or Market Value of Assets.

## 9. Reporting Date

The last day of the Plan or employer's fiscal year.

## 10. Service Cost

The portion of the actuarial present value of projected benefit payments that is attributed to the current period of employee service in conformity with the requirements of GASB Nos. 67 and 68. The Service Cost is the normal cost calculated under the Entry Age Actuarial Cost Method.

## 11. Total Pension Liability

The portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service in conformity with the requirements of GASB Nos. 67 and 68. The Total Pension Liability is the Actuarial Liability calculated under the Entry Age Actuarial Cost Method.

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# Maine Public Employees Retirement System Retiree Group Life Insurance Program
# State Sponsored Groups Actuarial Valuation and GASB Statement No. 74 Report as of June 30, 2026

**Presented by Cheiron**

**October 2026**

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www.cheiron.us 1.877.CHEIRON (243.4766)

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# LETTER OF TRANSMITTAL

October 8, 2026

Board of Trustees
Maine Public Employees' Retirement System
PO Box 349
Augusta, Maine 04332-0349

Dear Members of the Board:

The purpose of this report is to provide accounting and financial reporting information under Governmental Accounting Standards Board (GASB) Statement No. 74 and present the estimated Postretirement Group Life Insurance obligations as of June 30, 2026 for the Maine Public Employees Retirement System (MainePERS or System) based on a full valuation of the obligations as of June 30, 2026.

This report covers the participants of the State Employee and Teacher Retirement Program, the Judicial Retirement Program, and the Legislative Retirement Program, which we collectively call the State Sponsored Groups. For Tables I-1, IV-1 to IV-4, V-2, and V-3, we separated out the Teachers group for informational purposes, with all others included in the State group.

This report includes:

- Determination of the discount rate,
- Calculation of the Total OPEB Liability (TOL) as of the valuation date,
- Calculation of the Net OPEB Liability (NOL) at the discount rate as well as discount rates one percentage higher and lower than the discount rate, and
- Changes in the Net OPEB Liability

We have determined the costs and liabilities for the substantive plan using actuarial assumptions and methods that we consider reasonable. The information shown in this report is primarily for financial disclosure purposes since the biennial full valuations are used to adjust the Teacher funding contributions. The State contributions for the remaining members of the State Sponsored Plans are based on premiums set by the premium studies.

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The current premium rates did not change for State or Teacher employees after being reviewed in a premium study in 2026. However, we previously showed the amounts on a bi-weekly per $1,000 basis but now we refer to them on a monthly per $1,000 basis in order to align with how the premiums are administered. Teachers pay $0.13 monthly per $1,000 of coverage for active coverage as of 2026; the State contributes an amount equal to the calculated ADC for retired teacher coverage. However, as these are set two years in advance, the actual contribution may be higher or lower than that given year's ADC. The premiums for State group employees are $1.04 monthly per $1,000 of coverage for Fiscal Year (FY) 2026. This includes $0.26 for active coverage and $0.78 for retiree coverage for FY 2026. Any further increases will be determined by the next premium study in 2028.

Subsequent to the measurement date, in order to correct a logic error identified in the Pension Administration System, it is our understanding MainePERS will be conducting a one-time transfer of assets from the Retiree GLI Trusts to their respective Active GLI Trust. For State Sponsored Groups, that amount will be $10,417,009 transferred out of the Retiree Trust; for Teachers, that amount will be $6,430,513. These transfers will reduce the fiduciary net position by this amount, thus increasing the Net OPEB Liability by the corresponding totals. In preparing our report, we relied on information (some oral and some written) supplied by the System. This information includes, but is not limited to, the plan provisions, employee data, and financial information. We performed an informal examination of the obvious characteristics of the data for reasonableness and consistency in accordance with Actuarial Standard of Practice No. 23.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the assumptions; changes in assumptions; and changes in plan provisions or applicable law.

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

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This report was prepared for the Maine Public Employees Retirement System for the purposes described herein and for the use by the Plan Auditor in completing an audit related to the matters herein. Other users of this report are not intended users as defined in the Actuarial Standards of Practice, and Cheiron assumes no duty or liability to such other users.

Sincerely,
Cheiron

| | |
|---|---|
| Daniel J. Rhodes, FSA, FCA, MAAA<br>Principal Consulting Actuary | Ryan Benitez, ASA, MAAA<br>Consulting Actuary |
| John L. Colberg, FSA, EA, MAAA<br>Principal Consulting Actuary | |

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**MAINE PUBLIC EMPLOYEES' RETIREMENT SYSTEM**
**RETIREE GROUP LIFE INSURANCE FOR STATE SPONSORED GROUPS**
**GASB 74 VALUATION REPORT AS OF JUNE 30, 2026**

# SECTION I – SUMMARY OF KEY RESULTS

The reporting date for the Maine Public Employees Retirement System Retiree Group Life Insurance Program presented in this report is June 30, 2026. Measurements as of the reporting date are based on the fair value of assets as of June 30, 2026, and the Total OPEB Liability (TOL) as of the valuation date, June 30, 2026. There was an update of census data since the prior valuation, as well as an update of demographic assumptions.

Beginning of year measurements presented in this report are based on the actuarial valuation as of June 30, 2025. Since this is a full valuation, liability gains or losses due to experience are reported due to the updated census information.

Table I-1 below provides a summary of the key results during this reporting period ending on June 30, 2026. TOL results are shown for the State Sponsored Groups excluding the Teachers, for the Teachers group separately, and then the TOL under all of the State Sponsored Groups combined.

**Table I-1**
**Summary of Results**

| | Measurement Date 06/30/2025 | Measurement Date 06/30/2026 |
|---|---|---|
| State Total OPEB Liability | $129,073,005 | $141,274,650 |
| State Plan Fiduciary Net Position | 75,390,474 | 92,042,690 |
| State Net OPEB Liability | $53,682,531 | $49,231,960 |
| | | |
| Teacher Total OPEB Liability | $127,977,369 | $143,283,180 |
| Teacher Plan Fiduciary Net Position | 112,204,247 | 131,626,677 |
| Teacher Net OPEB Liability | $15,773,122 | $11,656,503 |
| | | |
| Combined Total OPEB Liability | $257,050,374 | $284,557,830 |
| Combined Plan Fiduciary Net Position | 187,594,721 | 223,669,367 |
| Combined Net OPEB Liability | $69,455,653 | $60,888,463 |

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# SECTION II – DETERMINATION OF DISCOUNT RATE

MainePERS's funding policy for retiree group life insurance is to contribute at least the Actuarially Determined Contribution (ADC) annually for Teachers retirees and contribute based on premium rates for all other participants. The State premium rates on behalf of retirees are assumed to be $0.78 monthly per $1,000 in FY 2026 and are adjusted to approximate the ADC. The ADC is equal to the sum of the employer normal cost and the amortization of the unfunded liability. The amortization of the unfunded liability is calculated as a level-percent closed period with 13 years remaining as of FY 2026 for the State Sponsored Groups. However, because the State sets contributions at least two years in advance, the contribution for the fiscal year ending June 30, 2026, was based on the valuation as of June 30, 2022, rolled forward to June 30, 2024.

The discount rate at June 30, 2026 is 6.50%, which is the assumed long-term expected rate of return on plan investments. The fiduciary net position was projected to be available to make all projected future benefit payments for current plan members. As such, the long-term expected rate of return on the System's investments was applied to all periods of projected benefit payments in determining the Total OPEB Liability. The projection of cash flows used to determine the discount rate assumed that the employer contributions will be made according to the funding policy described in the above paragraph.

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# SECTION III – PROJECTION OF TOTAL OPEB LIABILITY

The TOL is measured as of the valuation date June 30, 2026. This is a full valuation, which is completed at least every two years, and roll-forward valuations are performed in the off years. The two significant events in calculating the TOL as of the valuation date were an update in census data and changes to demographic assumptions. The table below shows the calculated TOL at discount rates equal to the rate used for disclosure purposes and plus and minus one percent from the rate used for disclosure purposes. The TOL has been determined using the entry age actuarial cost method as described in paragraph 54 of GASB Statement 74.

Table III-1 shows the Total OPEB Liability as of the valuation date for the assumed discount rate, as well as for plus and minus one percent of the discount rate.

**Table III-1**
**Projection of Total OPEB Liability 06/30/2026**

| Discount Rate | 5.5% | 6.5% | 7.5% |
|---|---|---|---|
| Actives | $100,469,977 | $80,745,187 | $65,611,016 |
| Deferred Vested | 0 | 0 | 0 |
| Retirees | 225,557,112 | 203,812,643 | 185,260,852 |
| Total | $326,027,089 | $284,557,830 | $250,871,868 |

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# SECTION IV – NOTE DISCLOSURES

The tables that follow show the changes in TOL, the plan fiduciary net position (i.e., fair value of Plan assets), and the Net OPEB Liability during the measurement year. Since this is a full valuation, there is a difference between expected and actual experience due to the updated census information. The change in assumptions includes the impact of the demographic assumptions adopted by the Board of Trustees at their March 12, 2026 meeting, as well as the update to the assumed expense as a percentage of liabilities, which was updated as part of the 2026 Premium Study.

We provide separate tables for State (IV-1), Teachers (IV-2), and the combined results of the State Sponsored Groups (IV-3) results.

**Table IV-1**
**Change in Net OPEB Liability – State**

| | Total OPEB Liability (a) | Plan Fiduciary Net Position (b) | Net OPEB Liability (a) – (b) |
|---|---|---|---|
| Balances at 06/30/2025 | $129,073,005 | $75,390,474 | $53,682,531 |
| Changes for the year: | | | |
| Service cost | 1,586,841 | | 1,586,841 |
| Interest | 9,099,085 | | 9,099,085 |
| Changes of benefits | 0 | | 0 |
| Changes of assumptions | 1,929,488 | | 1,929,488 |
| Differences between expected and actual experience | 5,429,341 | | 5,429,341 |
| Contributions – employer | | 8,749,142 | (8,749,142) |
| Contributions – member | | 0 | 0 |
| Net investment income | | 14,161,079 | (14,161,079) |
| Benefit payments | (5,843,110) | (5,843,110) | 0 |
| Administrative expense | 0 | (414,895) | 414,895 |
| Net changes | 12,201,645 | 16,652,216 | (4,450,571) |
| Balances at 06/30/2026 | $141,274,650 | $92,042,690 | $49,231,960 |

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# SECTION IV – NOTE DISCLOSURES

## Table IV-2
## Change in Net OPEB Liability – Teacher

| | Total OPEB Liability (a) | Plan Fiduciary Net Position (b) | Net OPEB Liability (a) – (b) |
|---|---|---|---|
| Balances at 06/30/2025 | $127,977,369 | $112,204,247 | $15,773,122 |
| Changes for the year: | | | |
| Service cost | 1,609,649 | | 1,609,649 |
| Interest | 9,237,509 | | 9,237,509 |
| Changes of benefits | 0 | | 0 |
| Changes of assumptions | 4,568,315 | | 4,568,315 |
| Differences between expected and actual experience | 5,533,799 | | 5,533,799 |
| Contributions – employer | | 5,048,950 | (5,048,950) |
| Contributions – member | | 0 | 0 |
| Net investment income | | 20,634,433 | (20,634,433) |
| Benefit payments | (5,643,461) | (5,643,461) | 0 |
| Administrative expense | 0 | (617,492) | 617,492 |
| Net changes | 15,305,811 | 19,422,430 | (4,116,619) |
| Balances at 06/30/2026 | $143,283,180 | $131,626,677 | $11,656,503 |

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# SECTION IV – NOTE DISCLOSURES

## Table IV-3
## Change in Net OPEB Liability – Combined

| | Total OPEB Liability (a) | Plan Fiduciary Net Position (b) | Net OPEB Liability (a) – (b) |
|---|---|---|---|
| Balances at 06/30/2025 | $257,050,374 | $187,594,721 | $69,455,653 |
| Changes for the year: | | | |
| Service cost | 3,196,490 | | 3,196,490 |
| Interest | 18,336,594 | | 18,336,594 |
| Changes of benefits | 0 | | 0 |
| Changes of assumptions | 6,497,803 | | 6,497,803 |
| Differences between expected and actual experience | 10,963,140 | | 10,963,140 |
| Contributions - employer | | 13,798,092 | (13,798,092) |
| Contributions - member | | 0 | 0 |
| Net investment income | | 34,795,512 | (34,795,512) |
| Benefit payments | (11,486,571) | (11,486,571) | 0 |
| Administrative expense | 0 | (1,032,387) | 1,032,387 |
| Net changes | 27,507,456 | 36,074,646 | (8,567,190) |
| Balances at 06/30/2026 | $284,557,830 | $223,669,367 | $60,888,463 |

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# SECTION IV – NOTE DISCLOSURES

Changes in the discount rate would affect the measurement of the TOL. Lower discount rates produce a higher TOL, and higher discount rates produce a lower TOL. Because the discount rate does not affect the measurement of assets, the percentage change in the NOL can be very significant for a relatively small change in the discount rate. Table IV-4 shows the sensitivity of the TOL and NOL to the discount rate.

**Table IV-4**
**Sensitivity of Total Net OPEB Liability to Changes in Discount Rate**

**Teacher**

| | Discount Rate 5.5% | Discount Rate 6.5% | Discount Rate 7.5% |
|---|---|---|---|
| Total OPEB Liability | $165,181,079 | $143,283,180 | $125,598,311 |
| Plan Fiduciary Net Position | 131,626,677 | 131,626,677 | 131,626,677 |
| Collective Net OPEB Liability | $33,554,402 | $11,656,503 | $-6,028,366 |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability | 79.69% | 91.86% | 104.80% |

**State**

| | Discount Rate 5.5% | Discount Rate 6.5% | Discount Rate 7.5% |
|---|---|---|---|
| Total OPEB Liability | $160,846,010 | $141,274,650 | $125,273,557 |
| Plan Fiduciary Net Position | 92,042,690 | 92,042,690 | 92,042,690 |
| Collective Net OPEB Liability | $68,803,320 | $49,231,960 | $33,230,867 |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability | 57.22% | 65.15% | 73.47% |

**Combined**

| | Discount Rate 5.5% | Discount Rate 6.5% | Discount Rate 7.5% |
|---|---|---|---|
| Total OPEB Liability | $326,027,089 | $284,557,830 | $250,871,868 |
| Plan Fiduciary Net Position | 223,669,367 | 223,669,367 | 223,669,367 |
| Collective Net OPEB Liability | $102,357,722 | $60,888,463 | $27,202,501 |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability | 68.60% | 78.60% | 89.16% |

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# SECTION IV – NOTE DISCLOSURES

For the combined State-Sponsored Groups a one percent decrease in the discount rate increases the TOL by approximately 14.6% and increases the NOL by approximately 68.1%. A one percent increase in the discount rate decreases the TOL by approximately 11.8% and decreases the NOL by approximately 55.3%.

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# SECTION V – REQUIRED SUPPLEMENTARY INFORMATION

## Table V-1
## Schedule of Changes in Net OPEB Liability and Related Ratios

| Total OPEB Liability | **FY 2026** |
|---|---|
| Service cost (BOY) | $3,196,490 |
| Interest (includes interest on service cost) | 18,336,594 |
| Changes of benefit terms | 0 |
| Differences between expected and actual experience | 10,963,140 |
| Changes of assumptions | 6,497,803 |
| Benefit payments | (11,486,571) |
| Net change in Total OPEB Liability | 27,507,456 |
| **Total OPEB Liability – beginning** | **257,050,374** |
| **Total OPEB Liability – ending** | **$284,557,830** |
| **Plan fiduciary net position** | |
| Contributions - employer | $13,798,092 |
| Contributions - member | 0 |
| Net investment income | 34,795,512 |
| Benefit payments | (11,486,571) |
| Administrative expense | (1,032,387) |
| Net change in plan fiduciary net position | $36,074,646 |
| **Plan fiduciary net position - beginning** | **187,594,721** |
| **Plan fiduciary net position - ending** | **$223,669,367** |
| **Net OPEB Liability - ending** | **$60,888,463** |
| Plan fiduciary net position as a percentage of the Total OPEB Liability | 78.60% |
| Covered employee payroll | $1,940,739,300 |
| Net OPEB Liability as a percentage of covered employee payroll | 3.14% |

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# SECTION V – REQUIRED SUPPLEMENTARY INFORMATION

## Notes to Schedule of Changes in Net OPEB Liability and Related Ratios

Subsequent to the measurement date, in order to correct a logic error identified in the Pension Administration System, it is our understanding MainePERS will be conducting a one-time transfer of assets from the Retiree GLI Trusts to their respective Active GLI Trust. For State Sponsored Groups, that amount will be $10,417,009 transferred out of the Retiree Trust; for Teachers, that amount will be $6,430,513. These transfers will reduce the fiduciary net position by this amount, thus increasing the Net OPEB Liability by the corresponding totals.

A 10-year schedule of changes in NOL and related ratios is to be included within the Annual Comprehensive Financial Report (ACFR) for MainePERS. However, based on GASB guidance, this 10-year history can be built one year at a time following implementation. We have shown only the current year of this Schedule of Changes in Net OPEB Liability and Related Ratios above and believe that you can accumulate these individual years in the MainePERS ACFR to build this schedule to show the full 10-year schedule over time. Notes to this schedule should be included for any factors significantly impacting the trends reported within the period shown in this schedule at that time. As of June 30, 2026, we have not included such a note in the Notes to Schedule of Changes in Net OPEB Liability and Related Ratios above. However, it is our expectation that the System staff will make the final determination regarding any notes needed for this schedule, and we are available to provide any information they may need for this purpose.

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# SECTION V – REQUIRED SUPPLEMENTARY INFORMATION

If an Actuarially Determined Contribution is calculated, the following schedule is required. An Actuarially Determined Contribution is a contribution amount determined in accordance with Actuarial Standards of Practice.

Results are shown in Table V-2 for the State Sponsored Groups excluding the Teachers, then for the Teachers group separately, and then combined for the State Sponsored Groups.

**Table V-2**
**Schedule of Employer Contributions During Fiscal Year 2026**

| | State | Teacher | Combined |
|---|---|---|---|
| Actuarially Determined Contribution | $8,949,947 | $5,048,951 | $13,998,898 |
| Contributions in Relation to the Actuarially Determined Contribution | 8,749,142 | 5,048,950 | 13,798,092 |
| Contribution Deficiency/(Excess) | $200,805 | $1 | $200,806 |
| Covered Payroll | $934,549,000 | $1,006,190,300 | $1,940,739,300 |
| Contributions as a Percentage of Covered Payroll | 0.94% | 0.50% | 0.71% |

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# SECTION V – REQUIRED SUPPLEMENTARY INFORMATION

## Notes to Schedule of Employer Contributions

Valuation Date: June 30, 2022

Timing: The ADC is calculated in advance of the completion of the prior biennial valuation and thus rolled forward from prior results. In this case, ADCs for 2026 and 2027 are based on the June 30, 2022 valuation rolled forward and adjusted for changes in assumptions.

## Key Methods and Assumptions Used to Determine Contribution Rates for FY 2026

Actuarial Cost Method: Entry Age Normal

Asset Valuation Method: Market Value

Amortization Method: Level percent closed with 13 years remaining for FY 2026

Discount Rate: 6.50%

Salary Inflation: 2.75%

Administrative Expense Loads (State Employees, Judges, and Legislators): 9.84%;

Administrative Expense Loads (Teachers): 16.51%

A complete description of the methods and assumptions used to determine contribution rates for the year ending June 30, 2026, can be found in the June 30, 2022 Actuarial Valuation report.

Table V-3 that follows is provided in this report at the request of MainePERS staff, showing the development of the average remaining service life for the Program. GASB 75 requires some items be recognized by employers into OPEB expense over a period "equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the OPEB plan (active employees and inactive employees) determined as of the beginning of the measurement period." For the current measurement year ending on June 30, 2026, these values are thus developed based on the prior full biennial valuation data as of June 30, 2024. The development of this value is shown below, including a reflection of the decision by MainePERS to round the resulting value to the nearest whole year.

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# SECTION V – REQUIRED SUPPLEMENTARY INFORMATION

## Table V-3
## Average Expected Remaining Service Life for Measurement Year Ending June 30,2026

### State Program

| Status | Total Expected Future Service | Count | Average Remaining Service Life |
|---|---|---|---|
| Actives | 158,638 | 11,839 | 13 |
| Inactives | 0 | 8,864 | 0 |
| Total Membership | 158,638 | 20,703 | 8 |

### Teacher Program

| Status | Total Expected Future Service | Count | Average Remaining Service Life |
|---|---|---|---|
| Actives | 242,359 | 15,214 | 16 |
| Inactives | 0 | 7,978 | 0 |
| Total Membership | 242,359 | 23,192 | 10 |

### Combined Program

| Status | Total Expected Future Service | Count | Average Remaining Service Life |
|---|---|---|---|
| Actives | 400,997 | 27,053 | 15 |
| Inactives | 0 | 16,842 | 0 |
| Total Membership | 400,997 | 43,895 | 9 |

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# APPENDIX A – PARTICIPANT DATA, ASSUMPTIONS, AND METHODS

## Participant Data as of June 30, 2026

**Table A-1**
**Active Member Data**

| Group | Count | Average Age | Average Pension Service | Average GLI Participation | Average Salary |
|---|---|---|---|---|---|
| State | 12,006 | 46.9 | 10.8 | 11.0 | 76,965 |
| Teachers | 15,050 | 46.8 | 13.5 | 11.9 | 66,856 |
| Judges | 65 | 58.4 | 13.8 | 13.8 | 161,569 |
| Legislators | 55 | 62.9 | 5.7 | 7.8 | 23,655 |
| TOTAL | 27,176 | 46.9 | 12.3 | 11.5 | 71,462 |

Note that Legislators are subject to eight-year term limits for each house. Therefore, it is assumed that no active Legislators will reach the 10 years of service required to be eligible for retiree life benefits. However, they are included in the counts for the above exhibit because they are included in the expected remaining service life.

**Table A-2**
**Non-Active Member Data**

| Group | Count | Average age | Average Benefit |
|---|---|---|---|
| State | 9,106 | 74.4 | 21,203 |
| Teachers | 8,345 | 75.8 | 23,057 |
| Judges | 64 | 77.1 | 52,224 |
| Legislators | 9 | 78.9 | 6,347 |
| TOTAL | 17,524 | 75.1 | 22,191 |

Ultimate benefit is 40% of initial base benefit.

Note that all assumptions are based on the MainePERS Pension assumptions, which were updated after the experience study covering the period from July 1, 2020 through June 30, 2025 and adopted by the Board of Trustees at their March 12, 2026 meeting. All assumptions specific to this valuation are detailed in the following section.

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# APPENDIX A – PARTICIPANT DATA, ASSUMPTIONS, AND METHODS

## A. Actuarial Assumptions

### 1. Annual Rate of Investment Return

| | |
|---|---|
| State Employees | 6.50% |
| Teachers | 6.50% |
| Judges | 6.50% |
| Legislative | 6.50% |

### 2. Cost-of-Living Adjustment in Life Benefits

N/A. Life Insurance Benefits do not increase with the Cost of Living.

### 3. Annual Rate of Individual Salary Increase (% at Selected Years of Service)

| Service | State Employees | Teachers | Judges | Legislators |
|---|---|---|---|---|
| 0 | 11.74% | 14.31% | 3.00% | 2.75% |
| 5 | 6.60 | 6.35 | 3.00 | 2.75 |
| 10 | 5.47 | 5.32 | 3.00 | 2.75 |
| 15 | 4.29 | 4.55 | 3.00 | 2.75 |
| 20 | 4.19 | 3.78 | 3.00 | 2.75 |
| 25 | 4.03 | 3.26 | 3.00 | 2.75 |
| 30 | 4.03 | 3.01 | 3.00 | 2.75 |
| 35+ | 3.26 | 2.75 | 3.00 | 2.75 |

The above rates include a 2.75% across-the-board increase at each year of service.

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# APPENDIX A – PARTICIPANT DATA, ASSUMPTIONS, AND METHODS

## 4. Sample Rates of Termination (% at Selected Years of Service)

| Service | State | Teachers | State Special |
|---|---|---|---|
| 0 | 29.00% | 20.00% | 26.50% |
| 5 | 9.00 | 8.25 | 8.75 |
| 10 | 5.75 | 5.00 | 5.00 |
| 15 | 4.00 | 3.50 | 3.25 |
| 20 | 3.00 | 2.75 | 3.00 |
| 25 | 2.50 | 2.75 | 2.50 |

Experience-based sample rates by age:

| Age | Judges |
|---|---|
| 25 | 7% |
| 30 | 6 |
| 35 | 5 |
| 40 | 4 |
| 45 | 3 |
| 50 | 2 |
| 55 | 1 |

Experience-based sample rates by service:

| Service | Legislators |
|---|---|
| 0 | 0% |
| 1 | 0 |
| 2 | 12 |
| 3 | 15 |
| 4 | 20 |
| 5 | 25 |
| 6 | 15 |
| 7 | 25 |
| 8 | 60 |
| 9+ | 50 |

The rates shown for legislators are only applicable in the fiscal years ending in odd years, while zero terminations are assumed in the fiscal years ending in even years.

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# APPENDIX A – PARTICIPANT DATA, ASSUMPTIONS, AND METHODS

## 5. Sample Rates of Mortality for Healthy Annuitant Lives at Selected Ages (number of deaths per 10,000 members)

| | (Showing values in 2026) | | | |
|---|---|---|---|---|
| | State Employees | | Teachers | |
| Age | Male | Female | Male | Female |
| 50 | 32 | 28 | 12 | 7 |
| 55 | 46 | 34 | 24 | 18 |
| 60 | 70 | 45 | 41 | 26 |
| 65 | 100 | 63 | 68 | 38 |
| 70 | 151 | 105 | 111 | 65 |
| 75 | 262 | 195 | 200 | 127 |
| 80 | 486 | 375 | 388 | 260 |
| 85 | 899 | 733 | 771 | 686 |
| 90 | 1,651 | 1,342 | 1,461 | 1,302 |
| 95 | 2,685 | 2,208 | 2,524 | 2,280 |


| | (Showing values in 2026) | | | |
|---|---|---|---|---|
| | State Employees | | Teachers | |
| Age | Male | Female | Male | Female |
| 50 | 32 | 28 | 12 | 7 |
| 55 | 46 | 34 | 24 | 18 |
| 60 | 70 | 45 | 41 | 26 |
| 65 | 100 | 63 | 68 | 38 |
| 70 | 151 | 105 | 111 | 65 |
| 75 | 262 | 195 | 200 | 127 |
| 80 | 486 | 375 | 388 | 260 |
| 85 | 899 | 733 | 771 | 686 |
| 90 | 1,651 | 1,342 | 1,461 | 1,302 |
| 95 | 2,685 | 2,208 | 2,524 | 2,280 |


Rates for State Employees are based on 112.7% and 117.3% of the 2016 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, respectively, for males and females.

Rates for Teachers are based on the 2016 Public Plan Teacher Benefits Weighted Healthy Retiree Mortality Table adjusted as follows:

- 109.9% for males and 98% of the rates for females prior to age 82, and 125% of the rates for females on and after age 82

Rates are projected generationally using the published IRS Adjusted MP-2021 scale.

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# APPENDIX A – PARTICIPANT DATA, ASSUMPTIONS, AND METHODS

## 6. Sample Rates of Mortality for Active Healthy Lives at Selected Ages (number of deaths per 10,000 members)

| | (Showing values in 2026) | | | |
|---|---|---|---|---|
| | State Employees | | Teachers | |
| Age | Male | Female | Male | Female |
| 20 | 4 | 1 | 2 | 1 |
| 25 | 5 | 1 | 3 | 1 |
| 30 | 7 | 2 | 3 | 2 |
| 35 | 8 | 3 | 5 | 2 |
| 40 | 11 | 5 | 6 | 4 |
| 45 | 14 | 6 | 8 | 5 |
| 50 | 18 | 9 | 11 | 7 |
| 55 | 26 | 13 | 17 | 10 |
| 60 | 41 | 21 | 27 | 16 |
| 65 | 59 | 31 | 42 | 26 |

**For State Regular and Teachers, 5% of deaths assumed to arise out of and in the course of employment, for State Special, 20% of deaths are assumed to arise out of and in the course of employment.*

Rates for State Employees are based on 119.9% and 101.0% of the 2016 Public Plan General Benefits-Weighted Employee Mortality Table, respectively, for males and females. Recommended rates for Teachers are based on 102.2% and 101.5% of the 2016 Public Plan Teacher Benefits-Weighted Employee Mortality Table, respectively, for males and females. These rates are generationally projected using the same version of the MP-2021 model as described in the healthy annuitant mortality.

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# APPENDIX A – PARTICIPANT DATA, ASSUMPTIONS, AND METHODS

## 7. Sample Rates of Mortality for Disabled Annuitant Lives at Selected Ages (number of deaths per 10,000 members)

| | (Showing values in 2026) | | | |
|---|---|---|---|---|
| | State Employees | | Teachers | |
| Age | Male | Female | Male | Female |
| 25 | 42 | 13 | 39 | 12 |
| 30 | 40 | 22 | 37 | 20 |
| 35 | 44 | 34 | 41 | 32 |
| 40 | 56 | 47 | 52 | 44 |
| 45 | 75 | 62 | 70 | 57 |
| 50 | 99 | 89 | 92 | 82 |
| 55 | 146 | 137 | 136 | 127 |
| 60 | 229 | 217 | 212 | 201 |
| 65 | 275 | 235 | 255 | 218 |
| 70 | 315 | 273 | 293 | 253 |

Rates for the State and PLDs are based on 114.5% and 127.7% of the 2016 Public Plan Non-Safety Benefits-Weighted Disabled Retiree Mortality Table, respectively, for males and females. These rates are generationally projected using the same version of the MP-2021 scale described in the healthy annuitant mortality.

Rates for Teachers are based on 106.3% and 118.2% of the 2016 Public Plan Non-Safety Benefits-Weighted Disabled Retiree Mortality Table, respectively, for males and females. These rates are generationally projected using the same version of the MP-2021 model as described in the healthy annuitant mortality.

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# APPENDIX A – PARTICIPANT DATA, ASSUMPTIONS, AND METHODS

## 8. Sample Rates of Retirement at Selected Ages

### Teachers and State Regular Plans

| | State Regular Employees | | | Teachers | | |
|---|---|---|---|---|---|---|
| Age | NRA 60 | NRA 62 | NRA 65 | NRA 60 | NRA 62 | NRA 65 |
| 57 | 4% | 3.5% | N/A | 4% | 3% | N/A |
| 59 | 26 | 4 | N/A | 20 | 5 | N/A |
| 60 | 21 | 4.5 | 4% | 27.5 | 8.5 | 2% |
| 61 | 21 | 35 | 2 | 21 | 28 | 2 |
| 62 | 21 | 29 | 5 | 23 | 26.8 | 2 |
| 63 | 20 | 19 | 8 | 25.5 | 21 | 2 |
| 64 | 22 | 20 | 20 | 30 | 24.5 | 5 |
| 65 | 22 | 23 | 26 | 37.5 | 30.5 | 30 |
| 70 | 23 | 25 | 25 | 31 | 25 | 29 |
| 75 | 100 | 100 | 100 | 35 | 20 | 29 |
| 80 | 100 | 100 | 100 | 100 | 100 | 100 |

In the case of State Regular and Teacher employees, NRA 60 (Tier 1) refers to those who had accrued at least 10 years of service by July 1, 1993. NRA 62 (Tier 2) refers to those who had not accrued at least 10 years of service by July 1, 1993 or were hired after that date but had five years of service by July 1, 2011. NRA 65 (Tier 3) refers to those who did not have five years of service by July 1, 2011. Rates are only applied for early retirement when the member is at least age 57.

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# APPENDIX A – PARTICIPANT DATA, ASSUMPTIONS, AND METHODS

## State Special Plans

Members of the 1998 Special Plan are assumed to retire at rates that vary by age and whether service is less than 25 years or not. Sample rates are as follows:

| | 1998 Special Plan Retirement | |
|---|---|---|
| Age | Service < 25 | Service >= 25 |
| 50 | 0% | 8% |
| 55 | 21 | 27 |
| 57 | 13 | 27 |
| 60 | 21 | 36 |
| 62 | 22 | 36 |
| 65 | 21 | 32 |
| 67 | 38 | 55 |
| 70 | 50 | 50 |
| 75 | 100 | 100 |

Members of the 25 & Out Plan are assumed to retire at rates that vary by service. With 100% retirement assumed by age 75. Sample rates are as follows:

| Service | Rate |
|---|---|
| <25 | Same as State Regular |
| 25 | 30% |
| 30 | 17 |
| 32 | 33 |
| 35 | 33 |
| 38+ | 100 |

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# APPENDIX A – PARTICIPANT DATA, ASSUMPTIONS, AND METHODS

Members of the Fire Marshals Plan are assumed to vary by service with 100% retirement by age 75. Rates are only applied when the member is at least age 50.

| Service | Rate |
|---|---|
| <20 | 0% |
| 20 | 30 |
| 25 | 17 |
| 27 | 33 |
| 30 | 33 |
| 33+ | 100 |

**Judges**

| Age | NRA 62 | NRA 65 |
|---|---|---|
| 62 | 10% | NA |
| 63 | 25 | NA |
| 64 | 40 | NA |
| 65 | 30 | 20 |
| 66 | 35 | 25 |
| 67 | 25 | 25 |
| 68 | 20 | 20 |
| 69 | 35 | 40 |
| 70 | 25 | 15 |
| 71 | 15 | 30 |
| 72 | 25 | 65 |
| 73-74 | 15 | 15 |
| 75+ | 100 | 100 |

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In the case of judicial employees, NRA 60 refers to those who had accrued at least 10 years of service by July 1, 1993 – there are no longer active members in this group. NRA 62 refers to those who had not accrued at least 10 years of service by July 1, 1993 or were hired after that date but had five years of service by July 1, 2011. NRA 65 refers to those who did not have five years of service by July 1, 2011.

Note that all retirement rates are only applied once the member is eligible to retire, regardless of years of service.

# APPENDIX A – PARTICIPANT DATA, ASSUMPTIONS, AND METHODS

## Legislators

| Age | Fiscal Years Ending Even | Fiscal Years Ending Odd |
|---|---|---|
| 62-74 | 0 | 250 |
| 75+ | 0 | 1,000 |

Note that all retirement rates are only applied once the member is eligible to retire, so those in with 62 or 65 normal retirement ages are not assumed to retire until eligible. No retirements are assumed prior to age 62, regardless of service amount.

### 9. Sample Rates of Disability at Selected Ages (number becoming disabled per 10,000 members)

| Age | State Regular | State Special | Teachers | Judges & Legislators |
|---|---|---|---|---|
| 25 | 1.3 | 25 | 1.0 | 0.0 |
| 30 | 1.5 | 30 | 1.1 | 0.0 |
| 35 | 6.1 | 35 | 1.1 | 0.0 |
| 40 | 9.9 | 40 | 1.5 | 0.0 |
| 45 | 12.2 | 45 | 3.0 | 0.0 |
| 50 | 16.1 | 50 | 6.4 | 0.0 |
| 55 | 25.0 | 55 | 21.3 | 0.0 |
| 60 | 38.4 | 60 | 21.4 | 0.0 |

Judges and Legislators: No disability assumed.

### 10. Premium Expense Assumption

To reflect administrative expenses associated with the distribution of benefits, the following loads, determined in the 2026 Premium Study, have been added to the liabilities, normal cost, and benefit payments.

State Employees, Judges, and Legislators: 10.40%
Teachers: 19.17%

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# APPENDIX A – PARTICIPANT DATA, ASSUMPTIONS, AND METHODS

## 11. Technical and Miscellaneous Assumptions

Decrement Timing: Middle of the valuation year.

Pay Increase Timing: Salary provided is treated as the rate of pay as of the valuation date. Annual increases are applied as of the beginning of each subsequent valuation.

Conversion Charges: Applies to the cost of active group life insurance, not retiree group life insurance.

Form of Benefit Payment: Lump Sum.

Participation Percent for Future Retirees: 100% of those currently enrolled.

Retirement for Participants who are not members of MainePERS: Age 62.

## 12. Rationale for Assumptions

The demographic assumptions were adopted by the Board of Trustees at their March 12, 2026 meeting. The discount rate was adopted by the Board of Trustees at their August 12, 2021 meeting. The demographic assumptions adopted are based on an experience study covering the period from July 1, 2020 through June 30, 2025, and the economic assumptions are based on this experience study along with advice of the MainePERS investment consultants.

## 13. Changes since Last Valuation

Assumptions for salary increase, termination, mortality, disability, and retirement were changed based on results of the most recent experience study. The expense assumption for State Employees, Judges, and Legislators was changed from 9.97% to 10.40% and for Teachers from 18.08% to 19.17%.

## 14. Rationale for Change in Actuarial Assumptions

The expense assumption was reviewed as part of the premium study completed in 2026.

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# APPENDIX A – PARTICIPANT DATA, ASSUMPTIONS, AND METHODS

## 15. Additional Disclosures regarding Models Used:

ProVal: Cheiron utilizes ProVal, an actuarial valuation software leased from Winklevoss Technologies (WinTech) to calculate the liabilities, normal costs, and projected benefit payments. We have relied on WinTech as the developer of ProVal. We have reviewed ProVal and have a basic understanding of it and have used ProVal in accordance with its original intended purpose. We have not identified any material inconsistencies in assumptions or output of ProVal that would affect this actuarial valuation.

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# APPENDIX A – PARTICIPANT DATA, ASSUMPTIONS, AND METHODS

## B. Actuarial Methods

### 1. Funding Method

The individual entry age normal method is used to determine liabilities. Under this funding method, a normal cost rate is calculated for each member. This rate is determined by taking the value, as of age at entry into the Plan, of the member's projected future benefits, and dividing it by the value, also as of the member's entry age of his expected future salary. The normal cost for each member is the product of their annual salary at the valuation date and their normal cost rate. The normal cost amount for the group is then the sum of the normal costs for all members.

The Actuarial Liability is defined as the present value of future benefits, as of the valuation date, for all current members, less the present value of future normal costs for all current members. For funding purposes, the Unfunded Actuarial Liability is then equal to the Actuarial Liability, less the actuarial value of the System's assets.

The discount rate used reflects the long-term funding policy to fully fund the benefits on an actuarial basis by FY 2038 for State and Teachers.

### 2. Asset Valuation Method

Figures were reported by MainePERS without audit or change.

### 3. Changes since Last Valuation

None

### 4. Rationale for Change

N/A

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# APPENDIX B – SUMMARY OF KEY PLAN PROVISIONS

## Membership

Service Retirement: A retiree must have participated in the group life insurance program for at least 10 years and possess coverage just prior to retirement. Thus, participants who do not retire directly from active employment are not eligible.

Disability Retirement: An employee must have participated in the group life insurance program immediately prior to disablement.

## Basic Insurance

Average final compensation calculated for retirement purposes.

## Amount of Insurance for a Retiree

Service Retirement: The Basic Insurance will be reduced by 15% per year until the amount equal to the greater of (a) 40% of the initial Basic Insurance, or (b) $2,500.

Disability Retirement: The amount of basic life insurance in force prior to retirement will be continued until normal retirement age. At normal retirement age, the amount of insurance will be reduced as for service retirement.

## Retiree Contribution

State Employees: None

Teachers: None

Judges: None

Legislators: None

## Normal Retirement Age

The specified age, the years of service requirement, or any age and years of service combination at which a participant may become eligible for unreduced service retirement benefits.

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# APPENDIX B – SUMMARY OF KEY PLAN PROVISIONS

## Discontinued Coverages at Retirement

- Supplemental Life
- Accidental Death and Dismemberment
- Dependent Life

(Discontinued coverage may be ported to another group term product or converted to an individual policy.)

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# APPENDIX C – GLOSSARY OF TERMS

## 1. Actuarially Determined Contribution

A target or recommended contribution for the reporting period, determined in conformity with Actuarial Standards of Practice based on the most recent measurement available when the contribution for the reporting period was adopted.

## 2. Actuarial Valuation Date

The date as of which an actuarial valuation is performed. This date may be up to 24 months prior to the measurement date and up to 30 months prior to the employer's reporting date.

## 3. Entry Age Actuarial Cost Method

The actuarial cost method required for GASB 74 and 75 calculations. Under this method, the actuarial present value of the projected benefits of each individual, included in an actuarial valuation, is allocated on a level basis over the earnings of the individual between entry age and assumed exit ages. The portion of this actuarial present value allocated to a valuation year is called the Service Cost. The portion of this actuarial present value not provided for at a valuation date by the actuarial present value of future service costs is called the Total OPEB Liability.

## 4. Measurement Date

The date as of which the Total OPEB Liability and Plan Fiduciary Net Position are measured. The Total OPEB Liability may be projected from the Actuarial Valuation Date to the Measurement Date. The Measurement Date must be the same as the Reporting Date for the plan.

## 5. Net OPEB Liability

The liability of employers and non-employer contributing entities for employees for benefits provided through a defined benefit OPEB plan. It is calculated as the Total OPEB Liability less the Plan Fiduciary Net Position.

## 6. Plan Fiduciary Net Position

The fair or market value of assets.

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# APPENDIX C – GLOSSARY OF TERMS

## 7. Reporting Date

The last day of the Plan or employer's fiscal year.

## 8. Service Cost

The portion of the actuarial present value of projected benefit payments that is attributed to the current period of employee service in conformity with the requirements of GASB 74 and 75. The Service Cost is the normal cost calculated under the entry age actuarial cost method.

## 9. Total OPEB Liability

The portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service in conformity with the requirements of GASB 74 and 75. The Total OPEB Liability is the Actuarial Liability calculated under the entry age actuarial cost method.

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CHEIRON Classic Values, Innovative Advice

# Maine Public Employees Retirement System Retiree Group Life Insurance Program Participating Local Districts (PLDs) Actuarial Valuation and GASB Statement No. 74 Report as of June 30, 2026

**Presented by Cheiron**

**October 2026**

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# LETTER OF TRANSMITTAL

October 8, 2026

Board of Trustees
Maine Public Employees' Retirement System
PO Box 349

Augusta, Maine 04332-0349

Dear Members of the Board:

The purpose of this report is to provide accounting and financial reporting information under Governmental Accounting Standards Board (GASB) Statement No. 74 and present the estimated Postretirement Group Life Insurance obligations as of June 30, 2026, for the Maine Public Employees' Retirement System (MainePERS or System) based on a full valuation of the obligations as of June 30, 2026.

This report covers the participants of Participating Local Districts Plans (PLDs). This report includes:

- Determination of the discount rate,
- Calculation of the Total OPEB Liability (TOL) from the valuation date to the measurement date,
- Calculation of the Net OPEB Liability (NOL) at the discount rate as well as discount rates one percentage higher and lower than the discount rate, and
- Changes in the Net OPEB Liability.

We have determined the costs and liabilities for the substantive plan using actuarial assumptions and methods that we consider reasonable. The information shown in this report is primarily for financial disclosure purposes since the biennial full valuations are used to adjust funding strategies, and the contributions for the participants of the PLDs are based on premiums set by the premium studies.

The current premium rates reflect rate changes adopted by the Board of Trustees based on a premium study conducted in 2024. We previously discussed the amounts on a bi-weekly per $1,000 basis, but now we refer to them on a monthly per $1,000 basis in order to align with how the premiums are administered. The basic premiums are $0.52 monthly per $1,000 of coverage for fiscal year (FY) 2026 for both active and retired PLD participants. Basic premiums will increase to $0.54 for FY 2028. For active participants, $0.26 is allocated to fund active benefits, while the difference is allocated to fund future retiree benefits.

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Another premium study was conducted in 2026. The Board of Trustees adopted an increase in the basic premium rate to $0.56 for FY 2032 in August 2026. Because this was adopted subsequent to the measurement date, the impact of this increase is not reflected in the TOL as of June 30, 2026. We estimate that this change would have reduced the TOL by approximately $200,000.

Also, subsequent to the measurement date, in order to correct a logic error identified in the Pension Administration System, it is our understanding that MainePERS will be conducting a one-time transfer of assets from the Retiree GLI Trusts to their respective Active GLI Trust. For PLDs, that amount will be $5,373,894 transferred out of the Retiree Trust. These transfers will reduce the fiduciary net position by this amount, thus increasing the Net OPEB Liability by the corresponding totals.

In preparing our report, we relied on information (some oral and some written) supplied by the System. This information includes, but is not limited to, the plan provisions, employee data, and financial information. We performed an informal examination of the obvious characteristics of the data for reasonableness and consistency in accordance with Actuarial Standard of Practice No. 23.

Future actuarial measurements may differ significantly from the current measurements due to such factors as the following: plan experience differing from that anticipated by the assumptions; changes in assumptions; and changes in plan provisions or applicable law.

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

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This report was prepared for the Maine Public Employees' Retirement System for the purposes described herein and for the use by the Plan auditor in completing an audit related to the matters herein. Other users of this report are not intended users as defined in the Actuarial Standards of Practice, and Cheiron assumes no duty or liability to any such other users.

Sincerely,
Cheiron

| | |
|---|---|
| Daniel J. Rhodes, FSA, FCA, MAAA<br>Principal Consulting Actuary | Ryan Benitez, ASA, MAAA<br>Consulting Actuary |
| John L. Colberg, FSA, EA, MAAA<br>Principal Consulting Actuary | |

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**MAINE PUBLIC EMPLOYEES' RETIREMENT SYSTEM**
**RETIREE GROUP LIFE INSURANCE FOR PARTICIPATING LOCAL DISTRICTS**
**GASB 74 VALUATION REPORT AS OF JUNE 30, 2026**

# SECTION I – SUMMARY OF KEY RESULTS

The reporting date for the Maine Public Employees Retirement System Retiree Group Life Insurance Program presented in this report is June 30, 2026. Measurements as of the reporting date are based on the fair value of assets as of June 30, 2026, and the Total OPEB Liability (TOL) as of the valuation date June 30, 2026. There was an update of census data since the prior valuation, as well as an update of demographic assumptions.

Beginning of year measurements presented in this report are based on the actuarial valuation as of June 30, 2025. Since this is a full valuation, liability and gains or losses due to experience are reported due to the updated census information

Table I-1 below provides a summary of the key results during this reporting period ending on June 30, 2026.

**Table I-1**
**Summary of Results**

| | Measurement Date 06/30/2025 | Measurement Date 06/30/2026 |
|---|---|---|
| Total OPEB Liability | $35,660,670 | $39,133,403 |
| Plan Fiduciary Net Position | 26,671,712 | 30,693,418 |
| Net OPEB Liability | $8,988,958 | $8,439,985 |

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# SECTION II – DETERMINATION OF DISCOUNT RATE

MainePERS's funding policy is for PLD employees or districts to pay $0.52 monthly per $1,000 in coverage for all participants. Of the $0.52 for actives, $0.26 is allocated to the Retiree Fund for retiree benefits.

As recommended in the 2024 Premium Study, the following increases are assumed and are determined as the amounts needed to fund the Actuarially Determined Contribution:

- FYE 2028: $0.54 for retirees with $0.28 of active premiums allocated to the Retiree Fund

The discount rate at June 30, 2026 is 6.50%, which is the assumed long-term expected rate of return on plan investments. The fiduciary net position was projected to be available to make all projected future benefit payments for current plan members. As such, the long-term expected rate of return on the Program's investments was applied to all periods of projected benefit payments in determining the Total OPEB Liability. The projection of cash flows used to determine the discount rate assumed that the employer contributions will be made according to the funding policy described in the above paragraph.

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# SECTION III – PROJECTION OF TOTAL OPEB LIABILITY

The TOL is measured as of the valuation date June 30, 2026. This is a full valuation, which is completed at least every two years, and roll-forward valuations are performed in the off years. The two significant events in calculating the TOL as of the valuation date were an update in census data and also demographic assumptions. The table below shows the calculated TOL at discount rates equal to the rate used for disclosure purposes, plus and minus one percent from the rate used for disclosure purposes. The TOL has been determined using the entry age actuarial cost method as described in paragraph 54 of GASB Statement 74.

Table III-1 shows the Total OPEB Liability as of the valuation date for the assumed discount rate as well as for plus and minus one percent of the discount rate.

**Table III-1**
**Projection of Total OPEB Liability 06/30/2026**

| Discount Rate | 5.5% | 6.5% | 7.5% |
|---|---|---|---|
| Actives | $13,354,056 | $10,642,163 | $8,578,990 |
| Deferred Vested | 0 | 0 | 0 |
| Retirees | 31,798,880 | 28,491,240 | 25,711,638 |
| Total | $45,152,936 | $39,133,403 | $34,290,628 |

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# SECTION IV – NOTE DISCLOSURES

Table IV-1 below shows the changes in TOL, the plan fiduciary net position (i.e., fair value of plan assets), and the Net OPEB Liability during the measurement year. Since this is a full valuation, there is a difference between expected and actual experience due to the updated census information. The change in assumptions includes the impact of the demographic assumptions adopted by the Board of Trustees at their May 14, 2026 meeting, as well as the update to the assumed expense as a percentage of liabilities, which was updated as part of the 2026 Premium Study.

**Table IV-1**
**Change in Net OPEB Liability – PLD**

| | Total OPEB Liability (a) | Plan Fiduciary Net Position (b) | Net OPEB Liability (a) – (b) |
|---|---|---|---|
| Balances at 06/30/2025 | $35,660,670 | $26,671,712 | $8,988,958 |
| Changes for the year: | 129,073,005 | | |
| Service cost | 424,575 | | 424,575 |
| Interest | 2,494,268 | | 2,494,268 |
| Changes of benefits | 0 | | 0 |
| Changes of assumptions | 465,727 | | 465,727 |
| Differences between expected and actual experience | 2,495,302 | | 2,495,302 |
| Contributions - employer | | 1,712,115 | (1,712,115) |
| Contributions - member | | 0 | 0 |
| Net investment income | | 4,863,512 | (4,863,512) |
| Benefit payments | (2,407,139) | (2,407,139) | 0 |
| Administrative expense | 0 | (146,782) | 146,782 |
| Net changes | 3,472,733 | 4,021,706 | (548,973) |
| Balances at 06/30/2026 | $39,133,403 | $30,693,418 | $8,439,985 |

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# SECTION IV – NOTE DISCLOSURES

Changes in the discount rate would affect the measurement of the TOL. Lower discount rates produce a higher TOL, and higher discount rates produce a lower TOL. Because the discount rate does not affect the measurement of assets, the percentage change in the NOL can be very significant for a relatively small change in the discount rate. Table IV-2 shows the sensitivity of the TOL and NOL to the discount rate.

**Table IV-2**
**Sensitivity of Total Net OPEB Liability to Changes in Discount Rate**

| | Discount Rate 5.5% | Discount Rate 6.5% | Discount Rate 7.5% |
|---|---|---|---|
| Total OPEB Liability | $45,152,936 | $39,133,403 | $34,290,628 |
| Plan Fiduciary Net Position | 30,693,418 | 30,693,418 | 30,693,418 |
| Collective Net OPEB Liability | 14,459,518 | 8,439,985 | 3,597,210 |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability | 68.0% | 78.4% | 89.5% |

A one percent decrease in the discount rate increases the TOL by approximately 15.4% and increases the NOL by approximately 71.3%. A one percent increase in the discount rate decreases the TOL by approximately 12.4% and decreases the NOL by approximately 57.4%.

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MAINE PUBLIC EMPLOYEES' RETIREMENT SYSTEM
RETIREE GROUP LIFE INSURANCE FOR PARTICIPATING LOCAL DISTRICTS
GASB 74 VALUATION REPORT AS OF JUNE 30, 2026

# SECTION V – REQUIRED SUPPLEMENTARY INFORMATION

## Table V-1
## Schedule of Changes in Net OPEB Liability and Related Ratios

| **Total OPEB Liability** | **FY 2026** |
|---|---|
| Service cost (BOY) | $424,575 |
| Interest (includes interest on service cost) | 2,494,268 |
| Changes of benefit terms | 0 |
| Differences between expected and actual experience | 2,495,302 |
| Changes of assumptions | 465,727 |
| Benefit payments | (2,407,139) |
| Net change in Total OPEB Liability | 3,472,733 |
| **Total OPEB Liability – beginning** | **35,660,670** |
| **Total OPEB Liability – ending** | **$39,133,403** |
| **Plan fiduciary net position** | |
| Contributions - employer | $1,712,115 |
| Contributions - member | 0 |
| Net investment income | 4,863,512 |
| Benefit payments | (2,407,139) |
| Administrative expense | (146,782) |
| Net change in plan fiduciary net position | $4,021,706 |
| **Plan fiduciary net position - beginning** | **26,671,712** |
| **Plan fiduciary net position – ending** | **$30,693,418** |
| **Net OPEB Liability – ending** | **$8,439,985** |
| Plan fiduciary net position as a percentage of the Total OPEB Liability | 78.4% |
| Covered employee payroll | $387,195,000 |
| Net OPEB Liability as a percentage of covered employee payroll | 2.2% |

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# SECTION V – REQUIRED SUPPLEMENTARY INFORMATION

## Notes to Schedule of Changes in Net OPEB Liability and Related Ratios

Another premium study was conducted in 2026. The Board of Trustees adopted an increase in the basic premium rate to $0.56 for FY 2032 in August 2026. Because this was adopted subsequent to the measurement date, the impact of this increase is not reflected in the TOL as of June 30, 2026. We estimate that this change would have reduced the TOL by approximately $200,000.

Also, subsequent to the measurement date, in order to correct a logic error identified in the Pension Administration System, it is our understanding MainePERS will be conducting a one-time transfer of assets from the Retiree GLI Trusts to their respective Active GLI Trust. For PLDs, that amount will be $5,373,894 transferred out of the Retiree Trust. These transfers will reduce the fiduciary net position by this amount, thus increasing the Net OPEB Liability by the corresponding totals.

A 10-year schedule of changes in NOL and related ratios is to be included within the Annual Comprehensive Financial Report (ACFR) for MainePERS. However, based on GASB guidance, this 10-year history can be built one year at a time following implementation. We have shown only the current year of this Schedule of Changes in Net OPEB Liability and Related Ratios above and believe that you can accumulate these individual years in the MainePERS ACFR to build this schedule to show the full 10-year schedule over time. Notes to this schedule should be included for any factors significantly impacting the trends reported within the period shown in this schedule at that time. As of June 30, 2026, we have not included such a note in the Notes to Schedule of Changes in Net OPEB Liability and Related Ratios above. However, it is our expectation that the System staff will make the final determination regarding any notes needed for this schedule, and we are available to provide any information they may need for this purpose.

If an Actuarially Determined Contribution is calculated, the following schedule is required. An Actuarially Determined Contribution is a contribution amount determined in accordance with Actuarial Standards of Practice.

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# SECTION V – REQUIRED SUPPLEMENTARY INFORMATION

**Table V-2**
**Schedule of Employer Contributions During Fiscal Year 2026**

| | PLD |
|---|---|
| Actuarially Determined Contribution | $1,821,472 |
| Contributions in Relation to the Actuarially Determined Contribution | 1,712,115 |
| Contribution Deficiency/(Excess) | $109,357 |
| Covered Payroll | $387,195,000 |
| Contributions as a Percentage of Covered Payroll | 0.44% |

## Notes to Schedule of Employer Contributions

Valuation Date: June 30, 2022

Timing: The ADC is calculated in advance of the completion of the prior biennial valuation and thus rolled-forward from prior results. In this case, ADCs for 2026 and 2027 are based on the June 30, 2022 valuation rolled forward and adjusted for changes in assumptions.

## Key Methods and Assumptions Used to Determine Contribution Rates for FY 2026

Actuarial Cost Method: Entry Age Normal

Asset Valuation Method: Market Value

Amortization Method: Level percent closed with 10 years remaining for FY 2026

Discount Rate: 6.50%

Salary Inflation: 2.75%

Administrative Expense Load: 9.36%

A complete description of the methods and assumptions used to determine contribution rates for the year ending June 30, 2026, can be found in the June 30, 2022, Actuarial Valuation report.

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# SECTION V – REQUIRED SUPPLEMENTARY INFORMATION

Table V-3 that follows is provided in this report at the request of MainePERS staff, showing the development of the average remaining service life for the Program. GASB 75 requires some items be recognized by employers into OPEB expense over a period "equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the OPEB plan (active employees and inactive employees) determined as of the beginning of the measurement period." For the current measurement year ending on June 30, 2026, these values are thus developed based on the prior full biennial valuation data as of June 30, 2024. The development of this value is shown below, including reflection of the decision by MainePERS to round the resulting value to the nearest whole year.

**Table V-3**
**Average Expected Remaining Service Life for Measurement Year Ending June 30, 2026**

| Status | Total Expected Future Service | Count | Average Remaining Service Life |
|---|---|---|---|
| Actives | 55,765 | 5,362 | 10 |
| Inactives | 0 | 2,957 | 0 |
| Total | 55,765 | 8,319 | 7 |

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# APPENDIX A – PARTICIPANT DATA, ASSUMPTIONS, AND METHODS

## Participant Data as of June 30, 2026

**Table A-1**
**Active Member Data**

| Group | Count | Average Age | Average Pension Service | Average GLI Participation | Average Salary |
|---|---|---|---|---|---|
| PLDs | 5,426 | 48.0 | 9.4 | 9.6 | 71,359 |

**Table A-2**
**Non-Active Member Data**

| Group | Count | Average age | Average Benefit |
|---|---|---|---|
| PLDs | 3,127 | 73.4 | 22,178 |

*Ultimate benefit is 40% of initial base benefit.*

Note that all assumptions are based on the MainePERS Pension assumptions, which were updated after the experience study covering the period from July 1, 2020 through June 30, 2025 and adopted by the Board of Trustees at their May 14, 2026 meeting. All assumptions specific to this valuation are detailed in the following section.

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**M MAINE PUBLIC EMPLOYEES' RETIREMENT SYSTEM**
**RETIREE GROUP LIFE INSURANCE FOR PARTICIPATING LOCAL DISTRICTS**
**GASB 74 VALUATION REPORT AS OF JUNE 30, 2026**

**APPENDIX A – PARTICIPANT DATA, ASSUMPTIONS, AND METHODS**

## A. Actuarial Assumptions

### 1. Annual Rate of Investment Return

| | |
|---|---|
| PLDs | 6.50% |

Rate is net of investment expense.

### 2. Cost-of-Living Adjustment in Life Benefits

N/A. Unlike pension benefits, Life Benefits do not increase with the Cost of Living.

### 3. Annual Rate of Individual Salary Increase (% at Selected Years of Service)

| Years of Service | Rate of Increase |
|---|---|
| 0 | 12.51% |
| 5 | 4.81 |
| 10 | 4.29 |
| 15 | 4.03 |
| 20 | 3.52 |
| 25 | 3.01 |
| 30 | 2.75 |
| 30 | 4.03 |

The above rates include a 2.75% across-the-board increase at each year of service.

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## APPENDIX A – PARTICIPANT DATA, ASSUMPTIONS, AND METHODS

### 4. Sample Rates of Termination (% at Selected Years of Service)

| Service | Regular | Special |
|---|---|---|
| 0 | 29.5% | 18.00% |
| 1 | 22.0 | 14.35 |
| 2 | 15.5 | 10.25 |
| 3 | 14.0 | 9.3 |
| 4 | 11.0 | 7.0 |
| 5 | 10.0 | 6.9 |
| 10 | 5.5 | 4.0 |
| 15 | 4.5 | 3.0 |
| 20 | 4.0 | 3.0 |
| 25 | 4.0 | 0.0 |

### 5. Sample Rates of Mortality for Healthy Annuitant Lives at Selected Ages (number of deaths per 10,000 members)

| | (Showing values in 2026) | |
|---|---|---|
| Age | Male | Female |
| 50 | 32 | 28 |
| 55 | 46 | 34 |
| 60 | 70 | 45 |
| 65 | 100 | 63 |
| 70 | 151 | 105 |
| 75 | 262 | 195 |
| 80 | 486 | 375 |
| 85 | 899 | 733 |
| 90 | 1,651 | 1,342 |
| 95 | 2,685 | 2,208 |

Rates are based on 112.7% and 117.3% of the 2016 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, respectively, for males and females. The recommended rates are projected generationally using the published IRS-Adjusted MP-2021 scale.

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## APPENDIX A – PARTICIPANT DATA, ASSUMPTIONS, AND METHODS

### 6. Sample Rates of Mortality for Active Lives at Selected Ages (number of deaths per 10,000 members)

| | (Showing values in 2026) | |
|---|---|---|
| Age | Male | Female |
| 20 | 4 | 1 |
| 25 | 5 | 1 |
| 30 | 7 | 2 |
| 35 | 8 | 3 |
| 40 | 11 | 5 |
| 45 | 14 | 6 |
| 50 | 18 | 9 |
| 55 | 26 | 13 |
| 60 | 41 | 21 |
| 65 | 59 | 31 |

5% of deaths are assumed to arise out of and in the course of employment.

Rates are based on 119.9% and 101.0% of the 2016 Public Plan General Benefits-Weighted Employee Mortality Table, respectively, for males and females. These rates are generationally projected using the same version of the MP-2021 scale as described in the healthy annuitant mortality.

### 7. Sample Rates of Mortality for Disabled Annuitant Lives at Selected Ages (number of deaths per 10,000 members)

| | (Showing values in 2026) | |
|---|---|---|
| Age | Male | Female |
| 25 | 42 | 13 |
| 30 | 40 | 22 |
| 35 | 44 | 34 |
| 40 | 56 | 47 |
| 45 | 75 | 62 |
| 50 | 99 | 89 |
| 55 | 146 | 137 |
| 60 | 229 | 217 |
| 65 | 275 | 235 |
| 70 | 315 | 273 |

Rates are based on 114.5% and 127.7% of the 2016 Public Plan Non-Safety Benefits-Weighted Disabled Retiree Mortality Table, respectively, for males and females. These rates are generationally projected using the same version of the MP-2021 scale described in the healthy annuitant mortality.

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## APPENDIX A – PARTICIPANT DATA, ASSUMPTIONS, AND METHODS

### 8. Sample Rates of Retirement at Selected Ages

**Regular Plans**

| Age | NRA 60 | NRA 65 |
|---|---|---|
| 45 | N/A | N/A |
| 50 | N/A | N/A |
| 55 | N/A | N/A |
| 60 | 15% | 3% |
| 65 | 30 | 24 |
| 70 | 25 | 22 |
| 75 | 100 | 100 |

In the case of PLD employees, NRA 60 refers to those who were hired prior to July 1, 2014, and NRA 65 refers to those who were hired on or after July 1, 2014.

**Special Plans**

| Service | Plan 1 | Plans 2-4 |
|---|---|---|
| 20 | 60% | 25% |
| 21 | 60 | 25 |
| 22 | 45 | 25 |
| 23 | 35 | 30 |
| 24 | 40 | 20 |
| 25 | 35 | 50 |
| 26 | 40 | 32 |
| 27 | 25 | 30 |
| 28 | 25 | 30 |
| 29 | 25 | 40 |
| 30 | 23 | 23 |
| 31 | 25 | 25 |
| 32 | 20 | 20 |
| 33 | 25 | 25 |
| 34 | 25 | 25 |
| 35 | 35 | 35 |
| 36-37 | 50 | 50 |
| 38+ | 100 | 100 |

Note that all retirement rates are only applied once the member is eligible to retire, so those in

25-year Plans are not assumed to retire at 20 years of service. For Special Plan retirements with less than 20 years of service, we assume 25% retire. We assume 100% retirement at age 75.

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## APPENDIX A – PARTICIPANT DATA, ASSUMPTIONS, AND METHODS

### 9. Sample Rates of Disability at Selected Ages (number becoming disabled per 10,000 members)

| | Regular | Special |
|---|---|---|
| 25 | 0.9 | 2.0 |
| 30 | 1.0 | 2.5 |
| 35 | 1.5 | 3.8 |
| 40 | 3.3 | 12.3 |
| 45 | 10.3 | 21.0 |
| 50 | 14.5 | 35.5 |
| 55 | 20.3 | 60.0 |
| 60 | 28.8 | 70.0 |

### 10. Premium Expense Assumption

To reflect administrative expenses associated with the distribution of benefits, the following loads, determined in the 2026 Premium Study, have been added to the liabilities, normal cost, and benefit payments.

PLDs: 10.34%

### 11. Technical and Miscellaneous Assumptions

Decrement Timing: Middle of the valuation year.

Pay Increase Timing: Salary provided is treated as the rate of pay as of the valuation date. Annual increases are applied as of the beginning of each subsequent valuation.

Conversion Charges: Applies to the cost of active group life insurance, not retiree group life insurance.

Form of Benefit Payment: Lump Sum.

Participation Percent for Future Retirees: 100% of those currently enrolled.

Retirement for Participants who are not members of MainePERS: Age 62.

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## APPENDIX A – PARTICIPANT DATA, ASSUMPTIONS, AND METHODS

### 12. Rationale for Assumptions

The demographic assumptions were adopted by the Board of Trustees at their May 14, 2026 meeting. The discount rate was adopted by the Board of Trustees at their August 12, 2021 meeting. The demographic assumptions adopted are based on an experience study covering the period from July 1, 2020 through June 30, 2025, and the economic assumptions are based on this experience study along with advice of the MainePERS investment consultants.

### 13. Changes since Last Valuation

Assumptions for salary increase, termination, mortality, disability, and retirement were changed based on the results of the most recent experience study. The expense assumption was changed from 9.67% to 10.34%.

### 14. Rationale for Change in Actuarial Assumptions

The expense assumption was reviewed as part of the premium study completed in 2026.

### 15. Disclosure of Models used

**ProVal:** Cheiron utilizes ProVal, an actuarial valuation software leased from Winklevoss Technologies (WinTech) to calculate the liabilities, normal costs, and projected benefit payments. We have relied on WinTech as the developer of ProVal. We have reviewed ProVal and have a basic understanding of it and have used ProVal in accordance with its original intended purpose. We have not identified any material inconsistencies in assumptions or output of ProVal that would affect this actuarial valuation.

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## B. Actuarial Methods

### 1. Funding Method

The individual entry age normal method is used to determine liabilities. Under this funding method, a normal cost rate is calculated for each member. This rate is determined by taking the value, as of age at entry into the Plan, of the member's projected future benefits, and dividing it by the value, also as of the member's entry age of his expected future salary. The normal cost for each member is the product of their annual salary at the valuation date and their normal cost rate. The normal cost amount for the group is then the sum of the normal costs for all members.

The Actuarial Liability is defined as the present value of future benefits, as of the valuation date, for all current members less the present value of future normal costs for all current members. For funding purposes, the Unfunded Actuarial Liability is then equal to the Actuarial Liability, less the actuarial value of the System's assets.

The discount rate used reflects the long-term funding policy to fully fund the benefits on an actuarial basis by FY 2036 for PLDs.

### 2. Asset Valuation Method

Figures were reported by MainePERS without audit or change.

### 3. Changes since Last Valuation

None

### 4. Rationale for Change

N/A

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# APPENDIX B – SUMMARY OF KEY PLAN PROVISIONS

## Membership

Service Retirement: A retiree must have participated in the group life insurance program for at least 10 years and possess coverage just prior to retirement.

Disability Retirement: An employee must have participated in the group life insurance program immediately prior to disablement.

## Basic Insurance

Average final compensation is calculated for retirement purposes.

## Amount of Insurance for a Retiree

Service Retirement: The Basic Insurance will be reduced by 15% per year until the amount equal to the greater of (a) 40% of the initial Basic Insurance, or (b) $2,500.

Disability Retirement: The amount of basic life insurance in force prior to retirement will be continued until normal retirement age. At normal retirement age, the amount of insurance will be reduced as for service retirement.

## Retiree Contribution

PLD Employees: PLD must pay $0.52 monthly per $1,000 of base benefit, based on the coverage amounts declining from 100% to 40%. Biweekly rates increase to $0.54 in FYE 2028 and $0.56 in FYE 2032.

## Normal Retirement Age

The specified age, the years of service requirement, or any age and years of service combination at which a participant may become eligible for unreduced service retirement benefits.

## Discontinued Coverages at Retirement

- Supplemental Life
- Accidental Death and Dismemberment
- Dependent Life

(Discontinued coverage may be ported to another group term product or converted to an individual policy.)

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# APPENDIX C – GLOSSARY OF TERMS

## 1. Actuarially Determined Contribution

A target or recommended contribution for the reporting period, determined in conformity with Actuarial Standards of Practice based on the most recent measurement available when the contribution for the reporting period was adopted.

## 2. Actuarial Valuation Date

The date as of which an actuarial valuation is performed. This date may be up to 24 months prior to the measurement date and up to 30 months prior to the employer's reporting date.

## 3. Entry Age Actuarial Cost Method

The actuarial cost method required for GASB 74 and 75 calculations. Under this method, the actuarial present value of the projected benefits of each individual, included in an actuarial valuation, is allocated on a level basis over the earnings of the individual between entry age and assumed exit ages. The portion of this actuarial present value allocated to a valuation year is called the Service Cost. The portion of this actuarial present value not provided for at a valuation date by the actuarial present value of future service costs is called the Total OPEB Liability.

## 4. Measurement Date

The date as of which the Total OPEB Liability and Plan Fiduciary Net Position are measured. The Total OPEB Liability may be projected from the Actuarial Valuation Date to the Measurement Date. The Measurement Date must be the same as the Reporting Date for the plan.

## 5. Net OPEB Liability

The liability of employers and non-employer contributing entities for employees for benefits provided through a defined benefit OPEB plan. It is calculated as the Total OPEB Liability less the Plan Fiduciary Net Position.

## 6. Plan Fiduciary Net Position

The fair or market value of assets.

## 7. Reporting Date

The last day of the Plan or employer's fiscal year.

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# APPENDIX C – GLOSSARY OF TERMS

## 8. Service Cost

The portion of the actuarial present value of projected benefit payments that is attributed to the current period of employee service in conformity with the requirements of GASB 74 and 75. The Service Cost is the normal cost calculated under the entry age actuarial cost method.

## 9. Total OPEB Liability

The portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service in conformity with the requirements of GASB 74 and 75. The Total OPEB Liability is the Actuarial Liability calculated under the entry age actuarial cost method.

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**MAINEPERS**

**BOARD OF TRUSTEES INVESTMENTS MEMORANDUM**

**TO:** BOARD MEMBERS

**FROM:** JAMES BENNETT, CHIEF INVESTMENT OFFICER

**SUBJECT:** **MONTHLY INVESTMENT REVIEW**

**DATE:** OCTOBER 1, 2026

---

Following this memo is the Monthly Investment Review for September.

## 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 $23.04 billion.
- Monthly return of -0.07%.
- Calendar year-to-date return of 5.81%.
- Fiscal year-to-date return of 0.55%.

MainePERS
PUBLIC EMPLOYEES RETIREMENT SYSTEM

# Investment Review
## October 8, 2026

# Investment Policy Objective

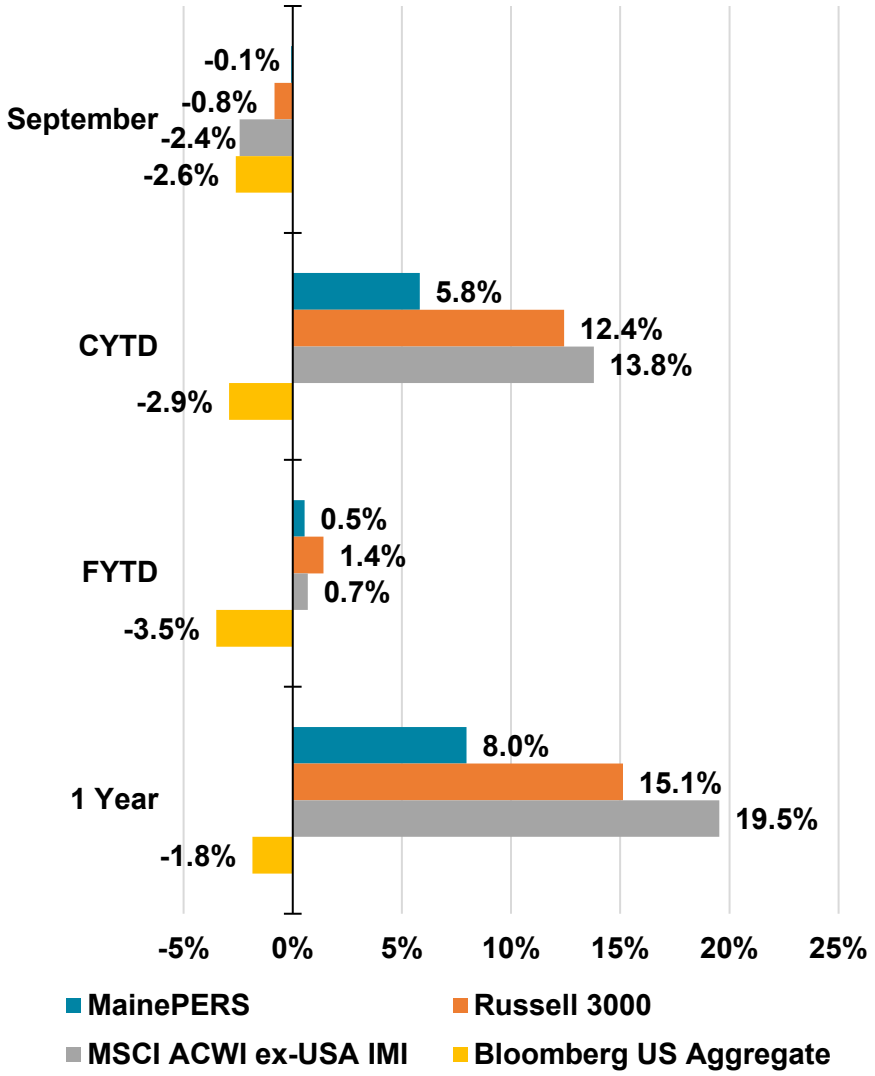
**Investment Objective**

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.

# September 2026 Performance (Preliminary)




## CIO Update

### Performance

- Rising interest rates and inflation concerns weighed on global markets
- Global equities declined for month but remain solidly positive for the year
- Bonds turn negative year over year
- Private markets reflect Q1 valuations
- $23.0B total assets

### Trustee Meeting with Managers

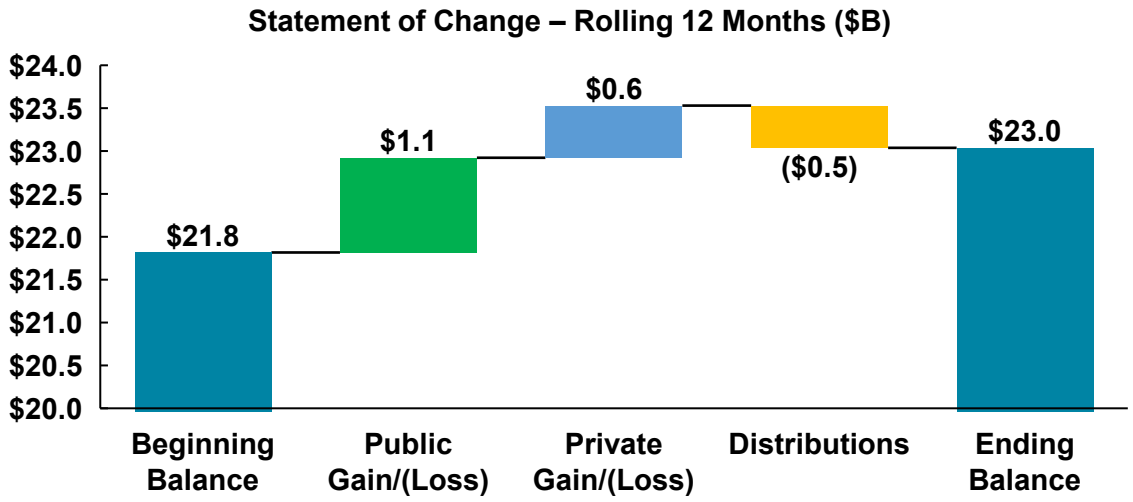
- October 27 | 10:00 a.m. – 12:00 p.m. | Portland
- Minutes from September meeting in “Supplemental Information”

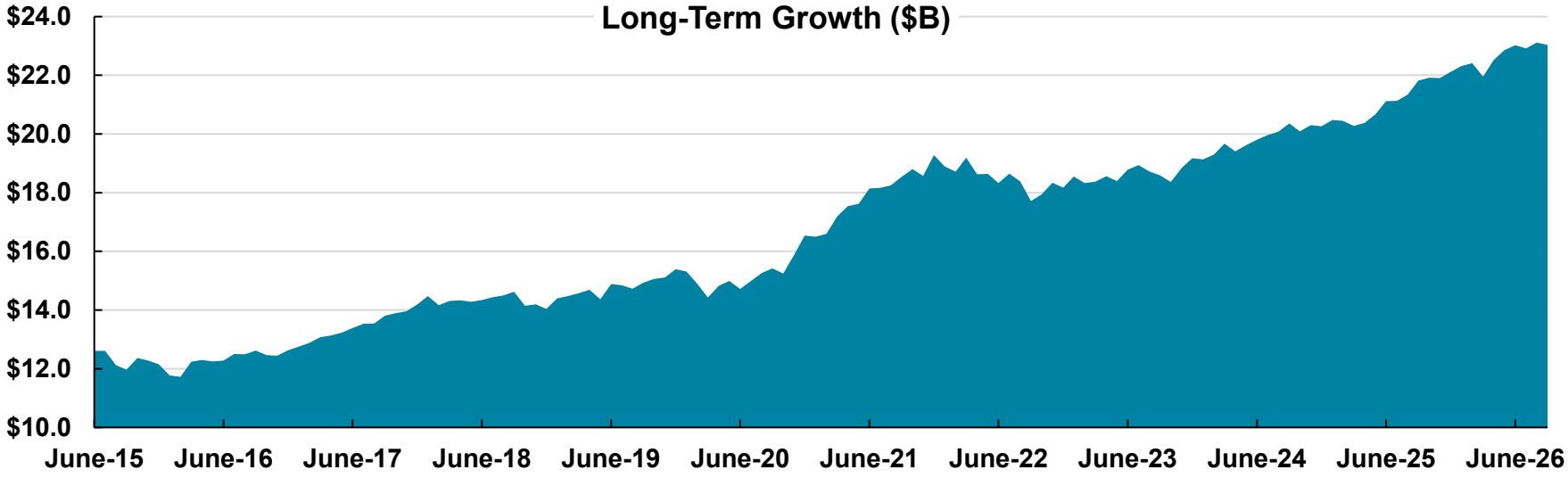
### Business and Organizational Updates

- No updates

# Fund Value – September 2026

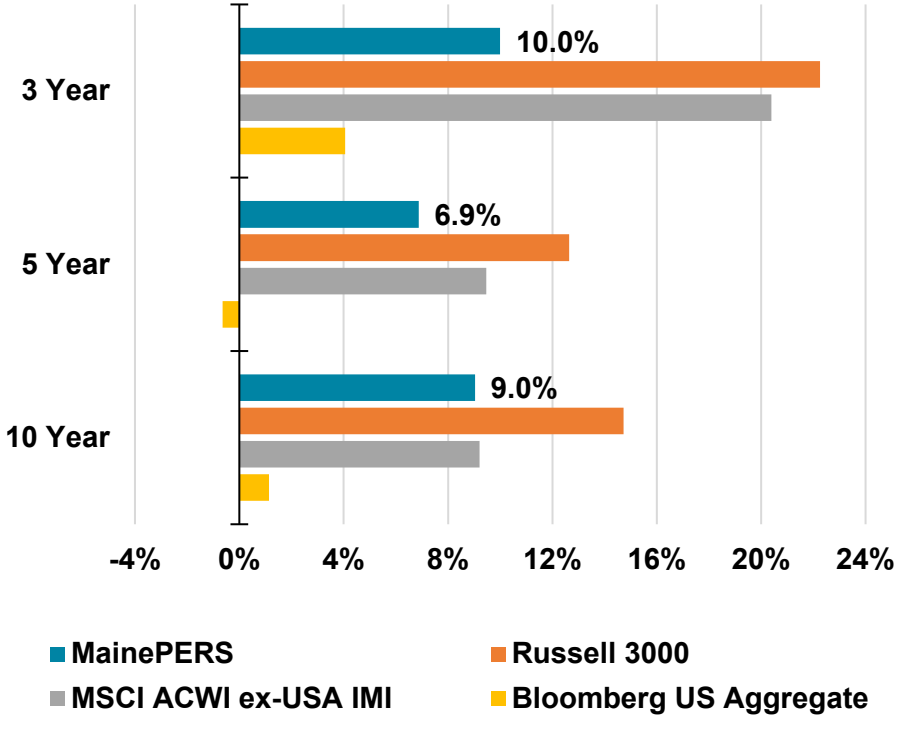
**The preliminary fund value at the end of September is $23.0 billion.**



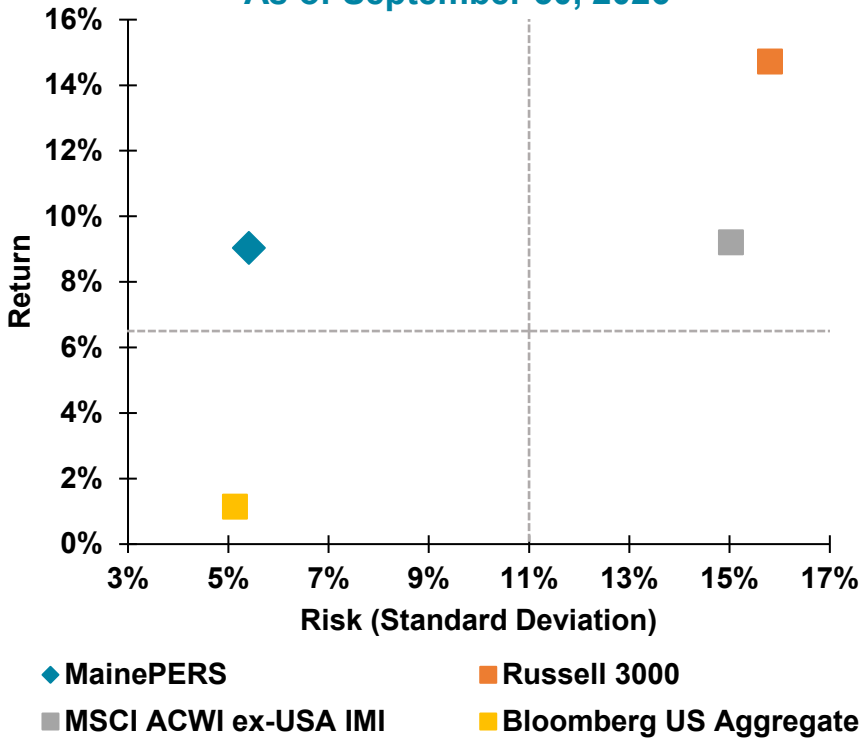



# Long-Term Performance & Risk

## Annualized Performance as of September 30, 2026




## Ten-Year Annualized Risk & Return As of September 30, 2026

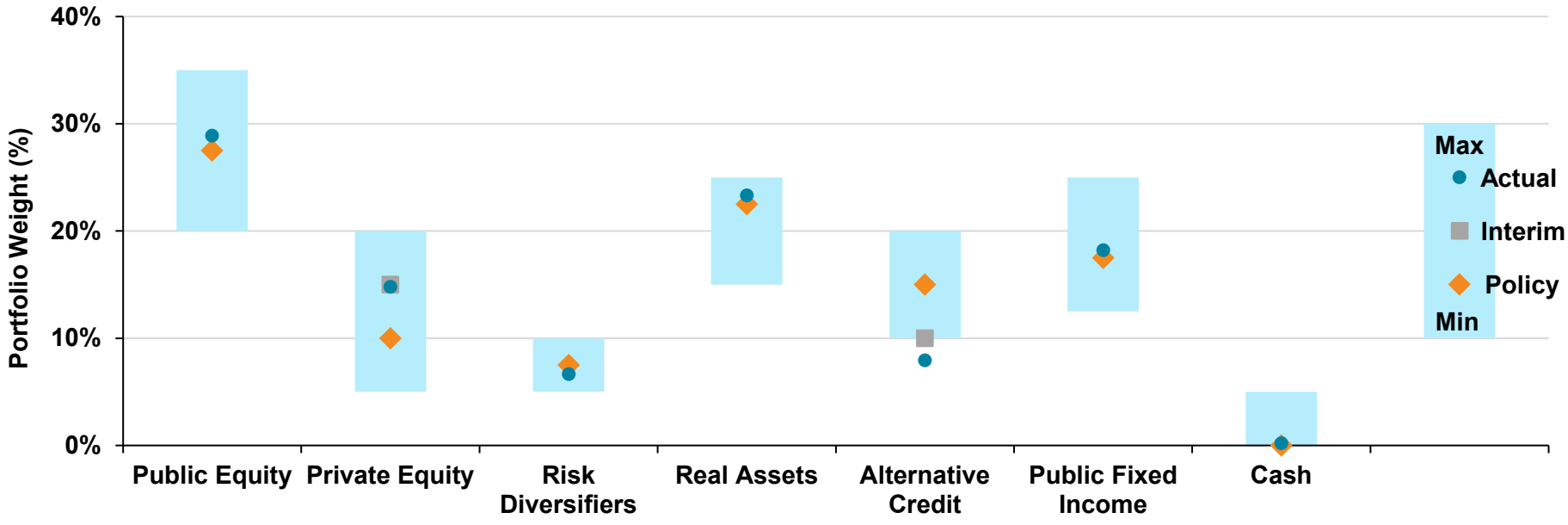



- Fund returns have exceeded the System's discount rate over the long term
- U.S. allocations buoyed MainePERS performance over all periods
- Diversification has resulted in strong risk/return profile over trailing 10 years
  - Substantially lower risk than global equity markets

# Asset Allocation (Preliminary) – September 2026

| Assets (Millions) | Value | *% of Fund* | Policy % |
|---|---|---|---|
| **MainePERS Portfolio** | **$23,039** | **100.0%** | **100.0%** |
| Public Equity | $6,651 | 28.9% | 27.5% |
| Public Fixed Income | $4,198 | 18.2% | 17.5% |
| Alternative Credit | $1,826 | 7.9% | 15.0% |
| Private Equity | $3,411 | 14.8% | 10.0% |
| Real Assets | $5,374 | 23.3% | 22.5% |
| Risk Diversifiers | $1,531 | 6.6% | 7.5% |
| Cash | $48 | 0.2% | 0.0% |

- Most asset classes remain near MainePERS Investment Policy target allocations
- Alternative Credit below minimum target as capital deployed judiciously
- Private markets assets in aggregate comprise 46.1% of the portfolio
  - Below 47.5% policy target



# Investment Activity

- **Two new investments closed in September**

**MainePERS Private Market Allocations**
***Past 12 Months***

| Fund | Board Approval | | Commitment | |
|---|---|---|---|---|
| | Date | Amount | Date | Amount |
| ***Meridiam Infrastructure North America Core Infrastructure Fund*** | ***9/10/2026*** | ***$ 280,000,000*** | ***9/30/2026*** | ***$ 263,600,000*** |
| **Brookfield Super-Core Infrastructure Partners** | **7/9/2026** | **$ 300,000,000** | **9/30/2026** | **$ 100,000,000** |
| Blackstone Senior Direct Lending - Series II Co-Investment Fund | 2/12/2026 | $ 125,000,000 | 8/31/2026 | $ 125,000,000 |
| ***GTCR Fund XV*** | **7/9/2026** | **$ 75,000,000** | **8/7/2026** | **$ 70,000,000** |
| WhiteHawk V Onshore Fund | 7/9/2026 | $ 250,000,000 | 7/16/2026 | $ 250,000,000 |
| General Catalyst Group XIII | 05/14/26 | $ 15,000,000 | 06/01/2026 | $ 15,000,000 |
| General Catalyst Creation Fund III | 05/14/26 | $ 15,000,000 | 06/01/2026 | $ 15,000,000 |
| Blackstone Senior Direct Lending Fund*** | 02/12/26 | $ 250,000,000 | 03/31/26 | $ 250,000,000 |
| Redwood Drawdown Fund IV | 02/12/26 | $ 50,000,000 | 02/20/26 | $ 50,000,000 |
| ***Meridiam Infrastructure Europe Core Infrastructure Fund*** | ***10/09/25*** | ***€ 55,000,000*** | ***12/30/25*** | ***€ 47,000,000*** |
| Stellus Credit SMA** | 07/10/25 | $ 225,000,000 | 11/03/25 | $ 225,000,000 |
| Tree Line Direct Lending IV | 10/09/25 | $ 100,000,000 | 10/21/25 | $ 100,000,000 |
| **Rolling 12-Month Total** | | **$ 1,749,900,000** | | **$ 1,731,560,000** |

* ***Bold italic*** indicates a commitment less than the amount approved by the Board, **Additional authorization for up to $225M for “overage” investments

# Co-investment and CV* Activity

- **No new co-investments closed in September**

**Closed Investments**
***Past 12 Months***

| Asset Class | Primary Fund Commitment | Co-Investment and Continuation Vehicles | Date | Commitment |
|---|---|---|---|---|
| Alternative Credit | Tree Line Direct Lending IV | Participation Agreement #5 | 8/31/2026 | $ 5,000,000 |
| Alternative Credit | Tree Line Direct Lending IV | Participation Agreement #4 | 7/24/2026 | $ 5,000,000 |
| Alternative Credit | TPG Twin Brook Direct Lending Fund VI | Participation Agreement #4 | 7/6/2026 | $ 5,000,000 |
| Alternative Credit | Tree Line Direct Lending IV | Participation Agreement #3 | 05/06/26 | $ 7,500,000 |
| Alternative Credit | TPG Twin Brook Direct Lending Fund VI | Participation Agreement #3 | 04/30/26 | $ 7,500,000 |
| Alternative Credit | Tree Line Direct Lending IV | Participation Agreement #2 | 02/23/26 | $ 5,000,000 |
| Alternative Credit | AG Direct Lending Fund V | Participation Agreement #7 (Upsize) | 12/18/25 | $ 774,194 |
| Alternative Credit | Tree Line Direct Lending IV | Participation Agreement #1 | 12/05/25 | $ 5,000,000 |
| Private Equity | Advent International GPE VIII | CF24XB SCSP (Upsize) | 10/24/25 | $ 650,621 |
| Alternative Credit | TPG Twin Brook Direct Lending Fund VI | Participation Agreement #2 | 10/02/25 | $ 10,300,000 |
| **Rolling 12-Month Total** | | | | **$ 51,724,815** |

*CV = continuation vehicle

# Trustee Meeting with Managers

**Tuesday, October 27 | 10:00 a.m. – 12:00 p.m.**

**Location: Portland Office**

| Investment | Godspeed Capital Fund IV | Hudson Bay Master Fund |
|---|---|---|
| **Asset Class** | **Private Equity** | **Risk Diversifiers** |
| **Purpose** | **New Investment Opportunity** | **Investment Update** |
| **Objective** | Evaluate lower middle-market capabilities in defense, government services, and social infrastructure | Review firm and platform, strategy performance, and discuss current market opportunities |
| **Background** | • Manages ~$1.1B across prior vintages and targeting $1.0B in Fund IV<br>• Experienced investment leader supported by a strong and growing team<br>• Deep industry and federal government network<br>• Scale businesses through the disciplined acquisition and integration of smaller companies<br>• Target government services providers serving federal, state, and local agencies with limited private equity competition | • Manages ~$22.2B across its flagship multi-strategy hedge fund ($21.0B), special opportunities funds, and real estate investments<br>• Disciplined investment process underpinned by a strong, risk-aware culture<br>• MainePERS invested $100M into flagship fund in August 2022<br>• Invests across event-driven arbitrage, convertible arbitrage, volatility trading, long/short equity, and credit |
| **Relationship** | • Newly sourced<br>• First-time investment | • NAV approximately $129M as of 8/31/26<br>• Anchors Multi-Strategy allocation as diversifier with strong downside protection |

**Classified as "Incidental" – Investment Team believes a commitment to either Fund is unlikely to involve significant investments in stocks, securities, or other obligations of fossil fuel or for-profit prison companies.**

# Liquidity Schedule: September 2026

| Term | Market Value | Percent of Portfolio |
|---|---|---|
| Liquid[1] | $10,924m | 47.4% |
| Semi-Liquid[2] | $1,314m | 5.7% |
| Illiquid[3] | $10,802m | 46.9% |
| **Total** | **$23,040m** | **100.0%** |

**Sources and Uses of Liquidity**

| Private Markets Activity | Last 12 Months Actual | Next 12 Months Projection |
|---|---|---|
| Capital Contributions | -$1,322m | -$890m |
| Distributions | $1,809m | $1,580m |
| **Net Private Markets Activity** | **$487m** | **$690m** |
| | | |
| **Benefit Payments** | **-$425m** | **-$480m** |
| | | |
| **Net Cash Flows** | **$62m** | **$210m** |

[1]Liquid assets includes Public Equity and Public Fixed Income; as well as a publicly listed Alternative Credit investment
[2]Semi-Liquid assets includes Risk Diversifiers
[3]Illiquid assets includes private Alternative Credit, Private Equity, and Real Assets; as well as certain Risk Diversifiers investments

# MainePERS Alternative Investments Summary

| *(in $millions)* | Current Market Value | | | Unfunded Commitment | |
|---|---|---|---|---|---|
| *as of 09/30/2026* | Dollars | % of Fund | Policy %* | Dollars | % of Fund |
| Alternative Credit | $ 1,826 | 7.9% | 15.0% | $ 1,291 | 5.6% |
| Private Equity | $ 3,411 | 14.8% | 10.0% | $ 1,017 | 4.4% |
| Real Assets | $ 5,374 | 23.3% | 22.5% | $ 763 | 3.3% |
| Risk Diversifiers | $ 1,531 | 6.6% | 7.5% | $ 63 | 0.3% |
| **Total Alternatives** | **$ 12,142** | **52.7%** | **55.0%** | **$ 3,135** | **13.6%** |

For more details please see Private Markets Investment Summary at http://www.mainepers.org/Investments/
*Investment Policy weights approved by the Board of Trustees effective Jan 2026

| *(in $millions)* | Private Market Commitments by Vintage Year | | | | 3-Year |
|---|---|---|---|---|---|
| *as of 09/30/2026* | 2023 | 2024 | 2025 | 2026 | Average[1] |
| Alternative Credit | $ 80 | $ 175 | $ 843 | $ 625 | $ 366 |
| Private Equity | $ 71 | $ 274 | $ 123 | $ 100 | $ 156 |
| Real Assets | $ 140 | $ 60 | $ 225 | $ 580 | $ 142 |
| **Total Commitments** | **$ 291** | **$ 509** | **$ 1,191** | **$ 1,305** | **$ 664** |

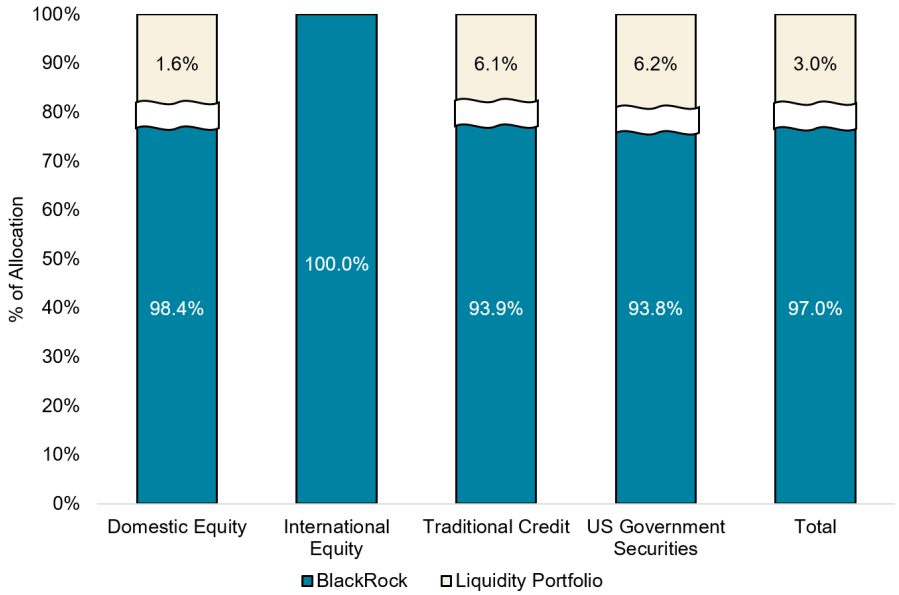
[1]3-Year Average: 2022-2025

# Supplemental Information

# Public Securities: Liquidity Portfolio

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

The Liquidity Portfolio accounts for 3.0% of MainePERS' total exposure to public securities.




| MainePERS Liquidity Portfolio | Market Value (Millions) | Exposure Type |
|---|---|---|
| Parametric Domestic Equity | $68.9 | Futures |
| Parametric International Equity | $0.0 | Futures |
| Parametric Traditional Credit | $101.0 | ETFs |
| Parametric US Government Securities | $158.5 | Futures |
| **Total Liquidity Portfolio** | **$328.5** | |

# 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: September 2026

| Description | FY 27 | FY 26 | FY 25 | FY 24 | FY 23 |
|---|---|---|---|---|---|
| Investment Mgmt. Fees | $31,797,256 | $126,950,641 | $129,093,633 | $131,940,081 | $135,770,817 |
| Securities Lending Fees [1] | 391,570 | 1,430,640 | 1,100,903 | 1,356,735 | 1,303,543 |
| Consulting Fees | 303,750 | 1,224,532 | 1,215,000 | 1,215,000 | 1,193,543 |
| Broker Commissions [2] | 15,684 | 124,633 | 120,217 | 77,495 | 136,039 |
| Placement Agent Fees | 0 | 0 | 0 | 0 | 0 |
| **Total** | **$32,508,260** | **$129,730,446** | **$131,529,753** | **$134,589,311** | **$138,403,942** |
| **Percentage of Fund [3]** | **0.56%** | **0.57%** | **0.62%** | **0.68%** | **0.74%** |

1. Securities Lending Fees are through 8/31/2026
2. Actual paid commissions reported by JP Morgan
3. For FY27: Total fees projected for the full fiscal year ($130,033,041) divided by current Fund value.
   For prior FY: Total fees divided by FYE Fund value.

# Strategy Allocations (Preliminary) – September 2026

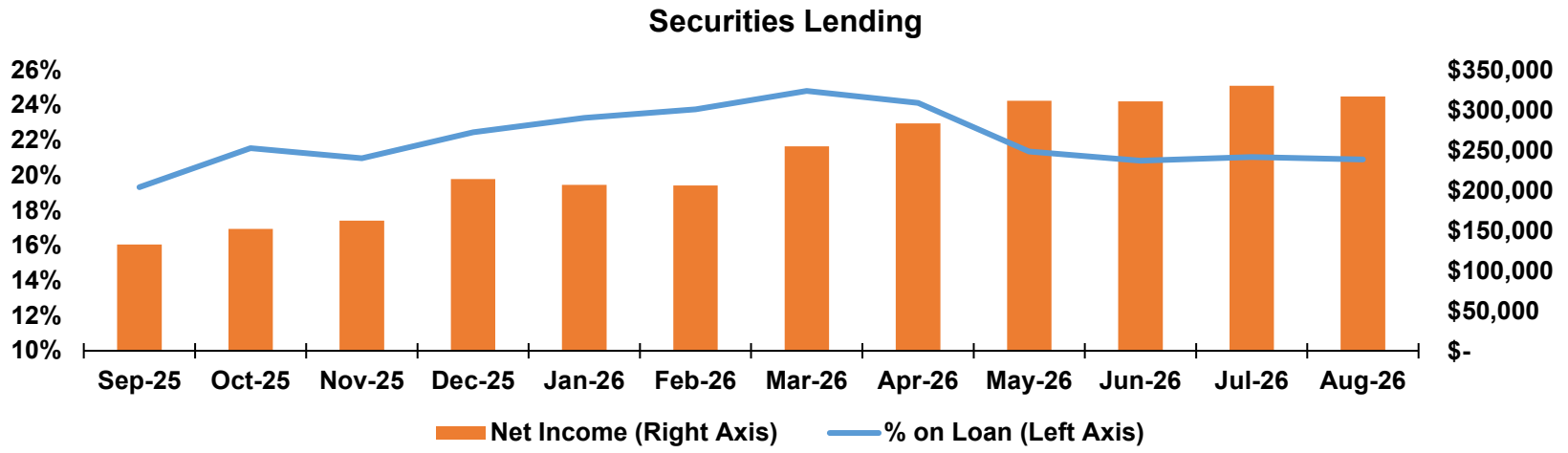
| Assets (Millions) | Value | % of Fund | Policy % |
|---|---|---|---|
| **MainePERS Portfolio** | **$23,039** | **100.0%** | **100.0%** |
| **Public Equity** | **$6,651** | **28.9%** | **27.5%** |
| *Domestic Equity* | *$4,243* | *18.4%* | *17.2%* |
| *International Equity* | *$2,408* | *10.5%* | *10.3%* |
| **Public Fixed Income** | **$4,198** | **18.2%** | **17.5%** |
| **Alternative Credit** | **$1,826** | **7.9%** | **15.0%** |
| **Private Equity** | **$3,411** | **14.8%** | **10.0%** |
| **Real Assets** | **$5,374** | **23.3%** | **22.5%** |
| *Infrastructure* | *$2,368* | *10.3%* | |
| *Real Estate* | *$1,917* | *8.3%* | |
| *Special Opportunities* | *$1,089* | *4.7%* | |
| **Risk Diversifiers** | **$1,531** | **6.6%** | **7.5%** |
| **Cash** | **$48** | **0.2%** | **0.0%** |

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

# Securities Lending: August 2026

| | Average Lendable Assets | Average Assets On Loan | Total Sec Lending Revenue | Revenue Split | MainePERS Net Income | MainePERS Net Income, FYTD |
|---|---|---|---|---|---|---|
| **BlackRock** | | | | | | |
| Fixed Income | $3,187,203,213 | $1,654,289,842 | $248,115 | 60%/40% | $148,869 | $308,165 |
| Total Equity | $2,285,064,195 | $234,954,280 | $240,603 | 60%/40% | $151,628 | $306,892 |
| **Total Blackrock** | $5,472,267,408 | $1,889,244,122 | $488,718 | | $300,497 | $615,057 |
| | | | | | | |
| **JP Morgan** | | | | | | |
| Domestic Equities | $4,019,867,700 | $95,714,927 | $19,736 | 85%/15% | $16,780 | $32,663 |
| **Total JP Morgan** | $4,019,867,700 | $95,714,927 | $19,736 | | $16,780 | $32,663 |
| | | | | | | |
| **Total** | **$9,492,135,108** | **$1,984,959,049** | **$508,454** | | **$317,277** | **$647,720** |

| | |
|---|---|
| Total Annualized Securities Lending Income, FY 2027: | $3,886,320 (0.02%, or 1.7 bps) |
| Total Actual Securities Lending Income, FY 2026: | $2,612,616 (0.01%, or 0.9 bps) |



# MainePERS Alternative Investments Summary

| *as of 09/30/2026* | # of Funds | # of GP Relationships |
|---|---|---|
| Alternative Credit | 33 | 17 |
| Private Equity | 139 | 36 |
| Real Assets | 91 | 39 |
| Risk Diversifiers | 15 | 13 |
| **Total*** | **278** | **96** |

*GP Total may not add due to overlapping relationships

Currently, MainePERS is invested in 278 funds, and has 96 distinct manager relationships.

# Minutes

# Investment Manager Meeting
# September 22, 2026

# MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

Minutes

Investment Manager Meeting
September 22, 2026

MainePERS
Portland Office

*The following members of the Board of Trustees attended a meeting with investment managers held at One City Center, Portland, ME 04101 at 10:00 a.m. on September 22, 2026: Brian Noyes, Shirrin Blaisdell, John Kimball, Dick Metivier, John Beliveau, and Joe Perry, State Treasurer. Joining the Trustees were Dr. Rebecca Wyke, Chief Executive Officer; James Bennett, Chief Investment Officer; Chip Gavin, Chief Operating and Services Officer; Scott Lupkas, Deputy Chief Investment Officer; Nanette Ardry, General Counsel; Ella Braaten, Deputy General Counsel; John Nichols, Assistant Attorney General; James Ackor, Managing Director; William Proom, Managing Director; Douglas Porter, Managing Director; Seth Keller, Deputy Managing Director; Bobby Slattery, Investments Analyst; Zack Anderson Investments Analyst; William Greenwood, Albourne; Pooja Goyal , Darya Mastronardi, Carlyle; and Mike Green, Jon Nemo, Zach Appleman, AEI.*

The meeting was called to order at 10:02 a.m. Joe Perry, participated through video remote access pursuant to 1 M.R.S. §403-B, having been excused from in-person attendance. All other Trustees (Noyes, Blaisdell, Kimball, Metivier, and Beliveau) attended in person.

- Action. Dick Metivier made the motion, seconded by John Beliveau, to enter into executive session pursuant to 1 M.R.S. §§ 402(3)(B) and 405(6)(F); 5 M.R.S. §17057(4) to discuss trade secrets and private market investment information contained in non-public documents. Unanimously voted by six Trustees (Noyes, Blaisdell, Kimball, Metivier, Beliveau, Perry).

*The Board moved into executive session at 10:03 a.m.*

*Joe Perry no longer participated remotely as of 10:23 a.m.*
*John Beliveau left the meeting at the conclusion of the first presentation.*

*The Board moved out of executive session at 12:21 p.m.*

The meeting adjourned at approximately 12:21 p.m.

Ella Braaten
Deputy General Counsel
September 25, 2026

# MainePERS Private Market Investments Summary: 03/31/2026

| Asset Class Summary | Commitment (A) | Amount Contributed (B) | Total Distributions (C) | Current Market Value (D) | Total Value (C+D) | Interim Net IRR |
|---|---|---|---|---|---|---|
| Alternative Credit | $ 4,041,964 | $ 3,344,146 | $ 2,278,916 | $ 1,778,827 | $ 4,057,743 | 7.9% |
| Real Assets | $ 7,591,780 | $ 8,320,849 | $ 6,524,182 | $ 5,371,539 | $ 11,895,722 | 7.5% |
| Infrastructure | $ 3,679,064 | $ 4,005,154 | $ 3,716,554 | $ 2,353,768 | $ 6,070,322 | 10.7% |
| Natural Resources | $ 1,060,500 | $ 1,156,292 | $ 542,552 | $ 1,069,042 | $ 1,611,594 | 5.9% |
| Real Estate | $ 2,852,215 | $ 3,159,403 | $ 2,265,077 | $ 1,948,729 | $ 4,213,806 | 5.4% |
| Private Equity | $ 5,352,225 | $ 5,578,116 | $ 5,810,920 | $ 3,540,184 | $ 9,351,104 | 14.3% |
| Total | $ 16,985,969 | $ 17,243,111 | $ 14,614,018 | $ 10,690,551 | $ 25,304,569 | 9.6% |

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 | $ 395,109 | 48 | $ 389,626 | $ 266,214 | $ 213,500 | $ 479,715 | 9.5% |
| Infrastructure Co-Investments | $ 221,360 | 11 | $ 220,478 | $ 361,435 | $ 52,117 | $ 413,552 | 14.2% |
| Natural Resources Co-Investments | $ 32,500 | 2 | $ 32,796 | $ 37 | $ 83,786 | $ 83,824 | 15.4% |
| Private Equity Co-Investments | $ 396,266 | 36 | $ 393,120 | $ 357,910 | $ 259,923 | $ 617,834 | 11.2% |
| Real Estate Co-Investments | $ 72,005 | 6 | $ 65,421 | $ 28,140 | $ 20,049 | $ 48,189 | -6.9% |
| Total | $ 1,117,239 | 103 | $ 1,101,442 | $ 1,013,737 | $ 629,376 | $ 1,643,113 | 11.3% |

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

(all dollar amounts in thousands)

# MainePERS Private Market Investments Summary: 03/31/2026

## 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 | $ 34,447 | $ - | $ 34,447 | 15.4% |
| Angelo Gordon Direct Lending Fund III | $ 100,000 | 7/20/2018 | $ 103,520 | $ 146,213 | $ - | $ 146,213 | 9.3% |
| Participation Agreement #1 | $ 7,500 | 10/11/2019 | $ 7,535 | $ 4,368 | $ 7,191 | $ 11,559 | 9.8% |
| 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 | $ 13,886 | $ - | $ 13,886 | 10.6% |
| 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 | $ 14,608 | $ - | $ 14,608 | 10.4% |
| Participation Agreement #7 | $ 5,000 | 12/11/2019 | $ 5,000 | $ 7,263 | $ - | $ 7,263 | 9.6% |
| 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 | $ 4,358 | $ 6,699 | $ 11,056 | 11.2% |
| Participation Agreement #10 | $ 10,000 | 4/20/2021 | $ 9,955 | $ 12,889 | $ - | $ 12,889 | 11.2% |
| Participation Agreement #11 | $ 5,000 | 5/5/2021 | $ 5,485 | $ 2,232 | $ 4,109 | $ 6,341 | 4.0% |
| Angelo Gordon Direct Lending Fund IV | $ 100,000 | 1/24/2020 | $ 99,118 | $ 74,496 | $ 63,971 | $ 138,466 | 9.8% |
| Participation Agreement #1 | $ 5,000 | 10/23/2020 | $ 4,913 | $ 6,266 | $ - | $ 6,266 | 9.2% |
| Participation Agreement #2 | $ 12,500 | 8/17/2021 | $ 12,264 | $ 5,864 | $ 11,952 | $ 17,816 | 11.0% |
| Participation Agreement #3 | $ 7,500 | 10/5/2021 | $ 7,500 | $ 7,913 | $ - | $ 7,913 | 7.9% |
| Participation Agreement #4 | $ 5,000 | 12/21/2021 | $ 4,871 | $ 2,330 | $ 4,740 | $ 7,070 | 11.0% |
| Participation Agreement #5 | $ 10,000 | 12/21/2021 | $ 9,975 | $ 4,884 | $ 7,671 | $ 12,554 | 10.8% |
| Participation Agreement #6 | $ 5,000 | 1/12/2022 | $ 4,887 | $ 2,366 | $ 4,755 | $ 7,121 | 11.3% |
| Participation Agreement #7 | $ 7,500 | 1/12/2022 | $ 7,378 | $ 2,705 | $ 962 | $ 3,667 | -23.0% |
| Participation Agreement #8 | $ 12,500 | 6/16/2022 | $ 12,391 | $ 15,895 | $ - | $ 15,895 | 11.9% |
| Angelo Gordon Direct Lending Fund IV Annex | $ 50,000 | 11/18/2021 | $ 49,606 | $ 33,868 | $ 32,728 | $ 66,595 | 10.6% |
| Angelo Gordon Direct Lending Fund V | $ 125,000 | 8/3/2022 | $ 115,643 | $ 31,424 | $ 108,291 | $ 139,715 | 10.9% |
| Participation Agreement #1 | $ 7,500 | 9/1/2022 | $ 7,388 | $ 9,892 | $ - | $ 9,892 | 11.6% |
| Participation Agreement #2 | $ 12,500 | 10/7/2022 | $ 12,216 | $ 5,008 | $ 11,855 | $ 16,863 | 12.2% |
| Participation Agreement #3 | $ 10,000 | 10/19/2022 | $ 9,816 | $ 3,782 | $ 9,452 | $ 13,234 | 10.9% |
| Participation Agreement #4 | $ 10,000 | 10/27/2022 | $ 9,800 | $ 4,419 | $ 9,167 | $ 13,586 | 12.4% |
| Participation Agreement #5 | $ 10,000 | 2/27/2023 | $ 9,811 | $ 2,702 | $ 7,811 | $ 10,513 | 2.7% |
| Participation Agreement #6 | $ 5,000 | 10/20/2023 | $ 4,868 | $ 1,285 | $ 4,858 | $ 6,142 | 11.3% |
| Participation Agreement #7 | $ 10,774 | 5/22/2024 | $ 10,624 | $ 1,926 | $ 10,544 | $ 12,470 | NM |
| Participation Agreement #8 | $ 10,000 | 6/21/2024 | $ 9,785 | $ 2,277 | $ 9,365 | $ 11,642 | NM |
| Participation Agreement #9 | $ 10,000 | 8/6/2024 | $ 9,846 | $ 1,595 | $ 9,727 | $ 11,322 | NM |
| Participation Agreement #10 | $ 10,000 | 12/11/2024 | $ 9,863 | $ 1,313 | $ 9,769 | $ 11,083 | NM |
| Participation Agreement #11 | $ 10,000 | 12/27/2024 | $ 9,888 | $ 1,426 | $ 9,787 | $ 11,213 | NM |
| Ares Capital Europe IV | $ 122,000 | 4/30/2018 | $ 96,890 | $ 90,402 | $ 33,604 | $ 124,006 | 5.2% |

(all dollar amounts in thousands)

# MainePERS Private Market Investments Summary: 03/31/2026

## 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 | $ 93,446 | $ 33,644 | $ 89,833 | $ 123,477 | 8.4% |
| Ares Capital Europe VI | $ 82,500 | 3/17/2023 | $ 44,020 | $ 12,195 | $ 40,170 | $ 52,366 | 16.2% |
| Ares Senior Direct Lending Fund II | $ 100,000 | 12/10/2021 | $ 81,386 | $ 51,006 | $ 58,598 | $ 109,604 | 12.7% |
| Ares Senior Direct Lending Fund III | $ 100,000 | 7/28/2023 | $ 44,372 | $ 4,372 | $ 46,078 | $ 50,450 | NM |
| Audax Senior Debt (MP), LLC | $ 100,000 | 6/30/2017 | $ 100,000 | $ 134,916 | $ - | $ 134,916 | 5.2% |
| Blackstone Senior Direct Lending Fund | $ 250,000 | 3/31/2026 | $ - | $ - | $ - | $ - | NM |
| 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 | $ 7,211 | $ 11,074 | $ 18,284 | 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 | $ 10,432 | $ - | $ 10,432 | 12.6% |
| Blue Owl Capital Corporation III | $ 100,000 | 6/19/2020 | $ 118,400 | $ 80,523 | $ 76,481 | $ 157,004 | 8.1% |
| Brookfield Infrastructure Debt Fund III | $ 100,000 | 7/15/2022 | $ 110,887 | $ 37,062 | $ 86,327 | $ 123,389 | 7.3% |
| BID III DESRI Co-Invest | $ 8,571 | 4/30/2024 | $ 6,788 | $ 455 | $ 6,895 | $ 7,350 | NM |
| BID III PosiGen Co-Invest | $ 10,000 | 4/1/2025 | $ 10,066 | $ - | $ 6,994 | $ 6,994 | NM |
| Brookfield Infrastructure Debt Fund IV | $ 100,000 | 12/31/2024 | $ 20,605 | $ 4,545 | $ 16,512 | $ 21,056 | NM |
| Comvest Credit Partners VI | $ 125,000 | 5/20/2022 | $ 237,358 | $ 157,477 | $ 106,201 | $ 263,679 | 10.3% |
| Comvest Credit Partners VII | $ 75,000 | 5/1/2024 | $ 60,478 | $ 6,805 | $ 58,922 | $ 65,728 | NM |
| Deerpath Capital VI | $ 75,000 | 9/30/2021 | $ 67,500 | $ 20,896 | $ 67,529 | $ 88,425 | 8.5% |
| Global Infrastructure Partners Spectrum | $ 100,000 | 2/20/2019 | $ 132,387 | $ 75,733 | $ 76,830 | $ 152,562 | 7.3% |
| Mesa West Core Lending Fund | $ 100,000 | 6/18/2013 | $ 127,612 | $ 77,225 | $ 94,359 | $ 171,583 | 4.0% |
| Pathlight Capital Fund II | $ 75,000 | 4/22/2021 | $ 140,499 | $ 140,739 | $ 25,298 | $ 166,036 | 10.9% |
| Participation Agreement #1 | $ 7,500 | 4/1/2022 | $ 7,082 | $ 9,848 | $ - | $ 9,848 | 15.3% |
| Participation Agreement #2 | $ 7,500 | 4/1/2022 | $ 7,346 | $ 10,375 | $ - | $ 10,375 | 12.5% |
| Pathlight Capital Fund III | $ 75,000 | 6/24/2022 | $ 133,381 | $ 88,370 | $ 66,026 | $ 154,396 | 13.6% |
| Pathlight Capital Evergreen Fund | $ 200,000 | 3/31/2025 | $ 160,832 | $ 60,601 | $ 106,619 | $ 167,220 | NM |
| Participation Agreement #1 | $ 10,000 | 8/26/2025 | $ 9,825 | $ 582 | $ 9,853 | $ 10,435 | NM |
| Solar Capital Private Corporate Lending Fund | $ 50,000 | 6/26/2019 | $ 40,188 | $ 27,583 | $ 30,314 | $ 57,897 | 10.4% |
| Solar Capital Debt Fund | $ 50,000 | 6/26/2019 | $ 25,000 | $ 16,779 | $ 16,364 | $ 33,143 | 9.4% |
| SLR Private Corporate Lending Fund II | $ 125,000 | 12/23/2022 | $ 31,784 | $ 4,667 | $ 35,506 | $ 40,172 | NM |
| Silver Point Specialty Credit II | $ 50,000 | 1/31/2020 | $ 64,230 | $ 50,355 | $ 34,828 | $ 85,183 | 11.1% |

(all dollar amounts in thousands)

# MainePERS Private Market Investments Summary: 03/31/2026

## 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 |
|---|---|---|---|---|---|---|---|
| Stellus Credit Funds Investor C | $ 225,000 | 11/3/2025 | $ 55,800 | $ - | $ 56,927 | $ 56,927 | NM |
| Stellus Credit Funds Investor C SPV | $ 225,000 | 11/3/2025 | $ 11,850 | $ - | $ 12,103 | $ 12,103 | NM |
| Tennenbaum Direct Lending VIII | $ 100,000 | 11/30/2017 | $ 100,883 | $ 122,876 | $ 1,776 | $ 124,652 | 5.8% |
| TPG Twin Brook Direct Lending Continuation Fund I | $ 68,000 | 8/7/2025 | $ 62,864 | $ 2,276 | $ 59,741 | $ 62,018 | NM |
| TPG Twin Brook Direct Lending Fund VI | $ 150,000 | 6/20/2025 | $ 7,500 | $ - | $ 7,257 | $ 7,257 | NM |
| Participation Agreement #1 | $ 10,000 | 9/10/2025 | $ 9,969 | $ 516 | $ 9,890 | $ 10,406 | NM |
| Participation Agreement #2 | $ 10,300 | 10/2/2025 | $ 10,251 | $ 568 | $ 10,132 | $ 10,700 | NM |
| Tree Line Direct Lending IV | $ 100,000 | 10/21/2025 | $ 67,880 | $ 14,552 | $ 54,711 | $ 69,263 | NM |
| Participation Agreement #1 | $ 5,000 | 12/5/2025 | $ 4,955 | $ 157 | $ 5,000 | $ 5,157 | NM |
| Participation Agreement #2 | $ 5,000 | 2/23/2026 | $ 4,973 | $ 43 | $ 5,000 | $ 5,043 | NM |

(all dollar amounts in thousands)

# MainePERS Private Market Investments Summary: 03/31/2026

## Private Equity

| Fund Name | Commitment (A) | Date of Commitment | Amount Contributed (B) | Total Distributions (C) | Current Market Value (D) | Total Value (C+D) | Interim Net IRR |
|---|---|---|---|---|---|---|---|
| ABRY Advanced Securities Fund II | $ 20,000 | 5/4/2011 | $ 20,585 | $ 29,749 | $ 207 | $ 29,955 | 13.0% |
| ABRY Advanced Securities Fund III | $ 30,000 | 4/30/2014 | $ 45,332 | $ 44,697 | $ 33 | $ 44,730 | -0.4% |
| ABRY Heritage Partners | $ 10,000 | 5/31/2016 | $ 11,240 | $ 16,708 | $ 5,436 | $ 22,143 | 24.7% |
| ABRY Partners VII | $ 10,000 | 4/29/2011 | $ 13,118 | $ 18,674 | $ 1,224 | $ 19,899 | 11.9% |
| ABRY Partners VIII | $ 20,000 | 8/8/2014 | $ 24,310 | $ 31,610 | $ 2,403 | $ 34,014 | 9.5% |
| ABRY Senior Equity IV | $ 10,000 | 12/7/2012 | $ 10,874 | $ 17,170 | $ 899 | $ 18,069 | 14.4% |
| ABRY Senior Equity V | $ 12,050 | 1/19/2017 | $ 13,397 | $ 12,932 | $ 8,337 | $ 21,269 | 11.8% |
| Advent International GPE VII | $ 30,000 | 6/29/2012 | $ 34,811 | $ 56,010 | $ 1,899 | $ 57,909 | 13.1% |
| Advent International GPE VIII | $ 50,000 | 2/5/2016 | $ 59,211 | $ 86,671 | $ 26,114 | $ 112,786 | 15.1% |
| CF24XB SCSP | $ 3,751 | 3/28/2025 | $ 3,545 | $ - | $ 3,634 | $ 3,634 | NM |
| Advent International GPE IX | $ 50,000 | 5/9/2019 | $ 49,420 | $ 20,373 | $ 52,615 | $ 72,989 | 10.1% |
| GPE IX TKE Co-Investment | $ 24,000 | 3/30/2020 | $ 21,243 | $ - | $ 42,073 | $ 42,073 | 12.8% |
| Advent International GPE X | $ 45,000 | 4/28/2022 | $ 30,069 | $ 478 | $ 38,267 | $ 38,745 | 13.4% |
| AI Co-Investment I-A | $ 7,500 | 3/2/2023 | $ 7,443 | $ - | $ 11,848 | $ 11,848 | 17.0% |
| Advent International GPE XI | $ 50,000 | 7/11/2025 | $ - | $ - | $ - | $ - | NM |
| Advent Latin America PE Fund VI | $ 20,000 | 10/17/2014 | $ 20,812 | $ 25,300 | $ 10,841 | $ 36,141 | 12.2% |
| Affinity Asia Pacific Fund IV | $ 60,000 | 2/28/2013 | $ 72,042 | $ 90,615 | $ 28,037 | $ 118,653 | 14.1% |
| Affinity Asia Pacific Fund V | $ 40,000 | 12/11/2017 | $ 40,307 | $ 14,737 | $ 38,694 | $ 53,431 | 10.4% |
| Bain Capital Ventures 2021 | $ 25,000 | 10/28/2020 | $ 24,188 | $ 1 | $ 25,975 | $ 25,976 | 2.0% |
| Bain Capital Ventures 2022 | $ 25,000 | 6/10/2022 | $ 17,688 | $ 0 | $ 26,098 | $ 26,098 | 27.3% |
| Bain Capital Venture Coinvestment Fund III | $ 15,000 | 4/1/2021 | $ 15,825 | $ 825 | $ 14,403 | $ 15,228 | -1.0% |
| Bain Capital Venture Coinvestment Fund IV | $ 15,000 | 6/10/2022 | $ 12,300 | $ - | $ 14,544 | $ 14,544 | 16.6% |
| Berkshire Fund VIII | $ 15,000 | 7/20/2011 | $ 17,044 | $ 34,641 | $ 1,260 | $ 35,901 | 15.8% |
| Berkshire Fund IX | $ 50,000 | 3/18/2016 | $ 59,914 | $ 41,705 | $ 59,703 | $ 101,408 | 12.5% |
| Blackstone Capital Partners VI | $ 30,000 | 6/30/2010 | $ 38,675 | $ 60,164 | $ 4,746 | $ 64,910 | 12.0% |
| Blackstone Capital Partners VII | $ 54,000 | 3/27/2015 | $ 67,063 | $ 68,538 | $ 39,552 | $ 108,090 | 11.8% |
| 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 | $ 91,032 | $ 140,588 | $ 3,465 | $ 144,053 | 12.9% |
| Carlyle Asia Partners V | $ 45,000 | 10/30/2017 | $ 54,017 | $ 23,127 | $ 38,109 | $ 61,235 | 4.6% |
| Centerbridge Capital Partners III | $ 30,000 | 10/24/2014 | $ 50,323 | $ 57,217 | $ 14,759 | $ 71,976 | 12.8% |
| CB Blizzard Co-Invest | $ 15,684 | 9/11/2019 | $ 15,773 | $ 10,053 | $ 262 | $ 10,315 | -40.6% |

(all dollar amounts in thousands)

# MainePERS Private Market Investments Summary: 03/31/2026

## Private Equity

| Fund Name | Commitment (A) | Date of Commitment | Amount Contributed (B) | Total Distributions (C) | Current Market Value (D) | Total Value (C+D) | Interim Net IRR |
|---|---|---|---|---|---|---|---|
| Charterhouse 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 | $ 37 | $ 7,311 | 12.0% |
| Charterhouse Capital Partners X | $ 67,000 | 5/13/2015 | $ 69,950 | $ 108,856 | $ 22,628 | $ 131,483 | 19.9% |
| Charterhouse Acrostone | $ 12,000 | 8/24/2018 | $ 13,254 | $ 21,268 | $ - | $ 21,268 | 16.9% |
| Charterhouse Capital Partners XI | $ 45,000 | 4/23/2021 | $ 34,894 | $ 2,685 | $ 44,911 | $ 47,596 | 15.7% |
| CVC Capital Partners VI | $ 67,000 | 7/12/2013 | $ 112,337 | $ 158,179 | $ 34,267 | $ 192,446 | 14.8% |
| CVC Capital Partners VII | $ 48,000 | 5/9/2017 | $ 88,044 | $ 96,650 | $ 50,056 | $ 146,706 | 19.6% |
| CVC Capital Partners VIII | $ 44,000 | 6/11/2020 | $ 78,296 | $ 38,005 | $ 52,572 | $ 90,577 | 9.0% |
| CVC Capital Partners IX | $ 44,000 | 6/29/2023 | $ 27,980 | $ 14,924 | $ 14,975 | $ 29,898 | 16.2% |
| CVC Capital Partners Pachelbel (A) SCSp | $ 6,966 | 6/14/2024 | $ 6,479 | $ 36 | $ 9,854 | $ 9,890 | NM |
| EnCap Energy Capital VIII | $ 30,000 | 1/31/2011 | $ 34,214 | $ 35,599 | $ 555 | $ 36,154 | 1.0% |
| EnCap Energy Capital Fund VIII Co-Investors | $ 16,238 | 12/8/2011 | $ 16,559 | $ 13,222 | $ - | $ 13,222 | -2.7% |
| EnCap Energy Capital Fund IX | $ 30,000 | 12/19/2012 | $ 37,857 | $ 51,022 | $ 6,668 | $ 57,691 | 11.1% |
| EnCap Energy Capital Fund X | $ 40,000 | 3/5/2015 | $ 49,776 | $ 78,268 | $ 19,225 | $ 97,493 | 16.1% |
| EnCap Energy Capital Fund XI | $ 40,000 | 5/31/2017 | $ 49,203 | $ 64,556 | $ 29,692 | $ 94,248 | 22.3% |
| EnCap Flatrock Midstream Fund III | $ 20,000 | 4/9/2014 | $ 25,980 | $ 34,125 | $ 2,982 | $ 37,107 | 10.0% |
| EnCap Flatrock Midstream Fund IV | $ 22,000 | 11/17/2017 | $ 22,996 | $ 13,274 | $ 17,554 | $ 30,828 | 9.4% |
| General Catalyst X - Early Venture | $ 19,565 | 3/26/2020 | $ 19,174 | $ - | $ 27,757 | $ 27,757 | 7.7% |
| General Catalyst X - Endurance | $ 22,826 | 3/26/2020 | $ 22,859 | $ 8,262 | $ 27,183 | $ 35,445 | 9.2% |
| General Catalyst X - Growth Venture | $ 32,609 | 3/26/2020 | $ 32,609 | $ - | $ 46,377 | $ 46,377 | 7.2% |
| General Catalyst XI - Creation | $ 8,823 | 10/29/2021 | $ 8,437 | $ - | $ 15,551 | $ 15,551 | 25.9% |
| General Catalyst XI - Endurance | $ 29,412 | 10/29/2021 | $ 29,044 | $ - | $ 40,980 | $ 40,980 | 10.8% |
| General Catalyst XI - Ignition | $ 11,765 | 10/29/2021 | $ 10,693 | $ - | $ 17,402 | $ 17,402 | 16.2% |
| General Catalyst XII - Creation | $ 6,250 | 1/26/2024 | $ 5,169 | $ - | $ 9,063 | $ 9,063 | 51.4% |
| General Catalyst XII - Endurance | $ 9,375 | 1/26/2024 | $ 8,132 | $ 31 | $ 12,344 | $ 12,375 | 45.5% |
| General Catalyst XII - Health Assurance | $ 3,125 | 1/26/2024 | $ 2,597 | $ - | $ 2,961 | $ 2,961 | 15.8% |
| General Catalyst XII - Ignition | $ 6,250 | 1/26/2024 | $ 4,561 | $ - | $ 6,929 | $ 6,929 | 43.5% |
| Great Hill Equity Partners IX | $ 25,000 | 7/15/2025 | $ 0 | $ - | $ (167) | $ (167) | 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 | $ 35,167 | $ 100,186 | $ 5,331 | $ 105,517 | 30.2% |
| GTCR Fund XII | $ 50,000 | 9/29/2017 | $ 54,199 | $ 66,562 | $ 34,388 | $ 100,950 | 18.6% |

(all dollar amounts in thousands)

# MainePERS Private Market Investments Summary: 03/31/2026

## Private Equity

| Fund Name | Commitment (A) | Date of Commitment | Amount Contributed (B) | Total Distributions (C) | Current Market Value (D) | Total Value (C+D) | Interim Net IRR |
|---|---|---|---|---|---|---|---|
| Co-Investment #1 | $ 5,238 | 4/26/2019 | $ 4,556 | $ 10,835 | $ 427 | $ 11,262 | 15.4% |
| Co-Investment #2 | $ 5,997 | 11/1/2019 | $ 5,977 | $ 11,854 | $ 9 | $ 11,864 | 38.6% |
| GTCR XIII | $ 50,000 | 10/27/2020 | $ 41,340 | $ 21,946 | $ 42,415 | $ 64,361 | 18.4% |
| GTCR XIV | $ 50,000 | 12/16/2022 | $ 14,374 | $ 7,182 | $ 13,846 | $ 21,028 | NM |
| H.I.G. Bayside Loan Fund II | $ 25,000 | 5/28/2010 | $ 23,985 | $ 32,479 | $ - | $ 32,479 | 7.1% |
| H.I.G. Bayside Loan Ops Fund III (Europe) | $ 30,000 | 7/27/2012 | $ 26,707 | $ 31,070 | $ 3,185 | $ 34,255 | 6.7% |
| H.I.G. Brazil & Latin America Partners | $ 60,000 | 7/1/2015 | $ 73,291 | $ 41,830 | $ 62,259 | $ 104,089 | 8.0% |
| H.I.G. Capital Partners V | $ 15,000 | 2/28/2013 | $ 23,360 | $ 41,627 | $ 4,090 | $ 45,717 | 22.7% |
| H.I.G. Europe Capital Partners II | $ 22,500 | 7/1/2013 | $ 27,815 | $ 28,219 | $ 10,662 | $ 38,881 | 9.4% |
| H.I.G. Growth Buyouts & Equity Fund II | $ 17,500 | 6/30/2011 | $ 26,358 | $ 39,733 | $ 2,887 | $ 42,620 | 12.6% |
| H.I.G. Growth Buyouts & Equity Fund III | $ 35,000 | 9/13/2018 | $ 29,331 | $ 15,452 | $ 18,114 | $ 33,566 | 5.2% |
| H.I.G Middle Market LBO Fund II | $ 40,000 | 2/7/2014 | $ 52,168 | $ 79,864 | $ 8,882 | $ 88,745 | 23.1% |
| Co-Investment #1 | $ 9,000 | 10/12/2017 | $ 9,000 | $ - | $ - | $ - | -100.0% |
| Co-Investment #2 | $ 686 | 6/19/2020 | $ 686 | $ 75 | $ 380 | $ 455 | -7.0% |
| Co-Investment #3 | $ 1,000 | 6/1/2021 | $ 1,079 | $ - | $ 0 | $ 0 | -83.5% |
| H.I.G. Middle Market LBO Fund III | $ 40,000 | 7/23/2019 | $ 44,422 | $ 18,848 | $ 38,105 | $ 56,953 | 9.0% |
| Hellman & Friedman Capital Partners VII | $ 30,000 | 6/19/2009 | $ 45,242 | $ 111,379 | $ 1,730 | $ 113,109 | 24.5% |
| Hellman & Friedman Capital Partners VIII | $ 45,000 | 9/24/2014 | $ 50,805 | $ 42,616 | $ 38,608 | $ 81,224 | 9.2% |
| Hellman & Friedman Capital Partners IX | $ 45,000 | 9/28/2018 | $ 49,020 | $ 11,128 | $ 69,614 | $ 80,742 | 11.2% |
| Hellman & Friedman Capital Partners X | $ 45,000 | 5/10/2021 | $ 45,629 | $ 7,799 | $ 49,918 | $ 57,717 | 8.1% |
| Inflexion Buyout Fund IV | $ 27,000 | 9/30/2014 | $ 38,585 | $ 51,223 | $ 16,145 | $ 67,368 | 14.4% |
| Inflexion Partnership Capital Fund I | $ 17,000 | 9/30/2014 | $ 26,928 | $ 43,160 | $ 6,239 | $ 49,399 | 21.2% |
| Inflexion Supplemental Fund IV | $ 10,000 | 5/31/2016 | $ 15,848 | $ 23,795 | $ 6,384 | $ 30,179 | 21.3% |
| Kelso Investment Associates VIII | $ 3,000 | 1/6/2011 | $ 3,044 | $ 4,358 | $ 9 | $ 4,368 | 7.9% |
| Kelso Investment Associates IX | $ 60,000 | 11/5/2014 | $ 70,714 | $ 96,804 | $ 21,412 | $ 118,216 | 16.8% |
| 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 | $ 53,008 | $ 34,039 | $ 64,297 | $ 98,336 | 18.1% |
| Kelso Investment Associates XI | $ 45,000 | 12/22/2021 | $ 24,185 | $ 2,195 | $ 28,029 | $ 30,224 | 11.0% |
| Kelso XI Heights Co-Investment | $ 12,000 | 8/19/2022 | $ 10,035 | $ - | $ 10,843 | $ 10,843 | 2.2% |
| KKR North American Fund XI | $ 60,000 | 2/7/2012 | $ 102,460 | $ 182,372 | $ 10,508 | $ 192,880 | 18.8% |
| KKR North America Fund XI (Platinum) | $ 8,003 | 2/26/2016 | $ 8,040 | $ 2,313 | $ - | $ 2,313 | -98.0% |

(all dollar amounts in thousands)

# MainePERS Private Market Investments Summary: 03/31/2026

## Private Equity

| Fund Name | Commitment (A) | Date of Commitment | Amount Contributed (B) | Total Distributions (C) | Current Market Value (D) | Total Value (C+D) | Interim Net IRR |
|---|---|---|---|---|---|---|---|
| KKR Element Co-Invest | $ 10,000 | 8/29/2016 | $ 10,050 | $ 24,030 | $ - | $ 24,030 | 23.5% |
| KKR Americas XII | $ 60,000 | 3/3/2016 | $ 72,502 | $ 82,973 | $ 65,089 | $ 148,062 | 18.8% |
| KKR Sigma Aggregator | $ 15,000 | 6/22/2018 | $ 15,000 | $ - | $ 16,355 | $ 16,355 | 1.1% |
| 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 | $ 170 | $ 8,077 | -10.5% |
| KKR North America XIII | $ 40,000 | 6/25/2021 | $ 39,145 | $ 1,279 | $ 48,486 | $ 49,765 | 10.9% |
| KKR North America Fund XIV | $ 50,000 | 9/30/2025 | $ 0 | $ - | $ (9) | $ (9) | NM |
| KKR Special Situations Fund | $ 60,000 | 12/19/2012 | $ 118,957 | $ 103,368 | $ 4,164 | $ 107,532 | -3.5% |
| KKR Special Situations Fund II | $ 60,000 | 12/19/2014 | $ 98,284 | $ 83,996 | $ 11,541 | $ 95,537 | -1.0% |
| Long Ridge Equity Partners IV | $ 15,000 | 6/26/2023 | $ 2,877 | $ 6 | $ 2,583 | $ 2,589 | 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 | $ 43,941 | $ 25 | $ 43,966 | 9.1% |
| ONCAP IV | $ 15,000 | 11/8/2016 | $ 17,982 | $ 10,511 | $ 18,060 | $ 28,572 | 10.8% |
| Onex Partners III | $ 10,000 | 1/6/2011 | $ 11,236 | $ 18,014 | $ 1,014 | $ 19,028 | 13.0% |
| Onex Partners IV | $ 60,000 | 11/22/2013 | $ 67,361 | $ 74,443 | $ 11,884 | $ 86,327 | 5.4% |
| Co-Investment #1 | $ 10,000 | 2/27/2017 | $ 10,471 | $ 1,235 | $ (46) | $ 1,189 | -69.0% |
| Onex Partners V | $ 45,000 | 7/11/2017 | $ 47,279 | $ 31,966 | $ 37,066 | $ 69,032 | 10.7% |
| Paine & Partners Capital Fund IV | $ 60,000 | 12/18/2014 | $ 58,671 | $ 37,540 | $ 39,864 | $ 77,404 | 5.0% |
| Wawona Co-Investment Fund I | $ 15,000 | 3/31/2017 | $ 15,023 | $ - | $ - | $ - | -100.0% |
| Lyons Magnus Co-Investment Fund I | $ 15,000 | 11/8/2017 | $ 15,016 | $ - | $ 25,809 | $ 25,809 | 6.7% |
| PSP Maverick Co-Invest | $ 7,238 | 9/12/2019 | $ 7,264 | $ 476 | $ - | $ 476 | -41.1% |
| PSP AH&N Co-Investment Fund | $ 23,895 | 11/27/2019 | $ 21,396 | $ 4,258 | $ 32,775 | $ 37,033 | 10.5% |
| Paine Schwartz Food Chain Fund V | $ 45,000 | 8/3/2018 | $ 52,059 | $ 30,937 | $ 44,259 | $ 75,197 | 13.9% |
| SNFL Co-Investment Fund | $ 5,000 | 10/11/2019 | $ 5,024 | $ 5,629 | $ 6,156 | $ 11,785 | 18.4% |
| Rhone Partners V | $ 56,000 | 3/12/2015 | $ 81,200 | $ 86,798 | $ 73,198 | $ 159,996 | 16.2% |
| Riverside Capital Appreciation Fund VI | $ 60,000 | 7/3/2013 | $ 64,591 | $ 80,144 | $ 12,690 | $ 92,834 | 9.7% |
| 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 | $ 196,910 | $ 24,527 | $ 221,437 | 34.6% |
| Riverside Micro-Cap Fund IV | $ 60,000 | 10/23/2015 | $ 55,659 | $ 36,278 | $ 56,569 | $ 92,847 | 6.7% |
| Riverside Micro-Cap Fund IV-B | $ 20,000 | 8/9/2019 | $ 24,145 | $ 27,144 | $ 5,209 | $ 32,352 | 7.5% |
| Riverside Micro-Cap Fund V | $ 40,000 | 8/21/2018 | $ 29,372 | $ 14,200 | $ 38,151 | $ 52,351 | 11.1% |

(all dollar amounts in thousands)

# MainePERS Private Market Investments Summary: 03/31/2026

## Private Equity

| Fund Name | Commitment (A) | Date of Commitment | Amount Contributed (B) | Total Distributions (C) | Current Market Value (D) | Total Value (C+D) | Interim Net IRR |
|---|---|---|---|---|---|---|---|
| Riverside Micro-Cap Fund VI | $ 45,000 | 8/26/2021 | $ 24,377 | $ 4,569 | $ 21,454 | $ 26,022 | 2.7% |
| Shoreview Capital Partners III | $ 24,000 | 7/24/2013 | $ 26,897 | $ 44,908 | $ 8,221 | $ 53,129 | 15.6% |
| Shoreview Capital Partners IV | $ 30,000 | 6/3/2019 | $ 24,656 | $ 20,801 | $ 24,481 | $ 45,283 | 33.9% |
| Shoreview Capital Partners V | $ 25,000 | 9/13/2024 | $ 1,101 | $ - | $ 850 | $ 850 | NM |
| Sovereign Capital IV | $ 46,500 | 7/7/2014 | $ 41,052 | $ 52,200 | $ 17,734 | $ 69,934 | 10.6% |
| Summit Partners Credit II | $ 60,000 | 10/25/2013 | $ 91,949 | $ 90,241 | $ 6,323 | $ 96,564 | 1.9% |
| Summit Europe Growth Equity III | $ 22,000 | 3/18/2020 | $ 24,164 | $ 7,600 | $ 35,609 | $ 43,209 | 20.7% |
| Summit Europe Growth Equity IV | $ 22,000 | 2/10/2023 | $ 5,189 | $ - | $ 4,640 | $ 4,640 | NM |
| Summit Growth Equity VIII | $ 25,000 | 5/27/2011 | $ 34,399 | $ 70,622 | $ 2,832 | $ 73,454 | 25.3% |
| Co-Investment #1 | $ 16,000 | 6/3/2015 | $ 16,000 | $ 52,819 | $ 18,695 | $ 71,515 | 31.3% |
| Summit Growth Equity IX | $ 60,000 | 8/26/2015 | $ 88,872 | $ 121,527 | $ 47,073 | $ 168,600 | 22.0% |
| 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 | $ - | $ 23,198 | $ 23,198 | 5.1% |
| Summit Partners Co-Invest (Giants-B) | $ 15,292 | 10/22/2019 | $ 15,292 | $ 42,588 | $ 168 | $ 42,756 | 77.5% |
| Summit Growth Equity X | $ 60,000 | 2/26/2019 | $ 67,688 | $ 31,850 | $ 67,179 | $ 99,030 | 11.9% |
| Summit Partners Co-Invest (Lions) | $ 7,534 | 10/14/2020 | $ 7,534 | $ 119 | $ 14,410 | $ 14,529 | 13.2% |
| Summit Partners Co-Invest (Indigo) | $ 10,000 | 12/11/2020 | $ 11,442 | $ - | $ 11,425 | $ 11,425 | 0.0% |
| Summit Growth Equity XI | $ 45,000 | 10/1/2021 | $ 26,182 | $ 523 | $ 29,210 | $ 29,733 | 6.7% |
| Summit Growth Equity XII | $ 25,000 | 10/1/2024 | $ - | $ - | $ - | $ - | NM |
| Summit Venture Capital III | $ 13,150 | 5/27/2011 | $ 18,860 | $ 37,132 | $ 1,742 | $ 38,874 | 17.8% |
| Summit Venture Capital IV | $ 40,000 | 8/26/2015 | $ 59,766 | $ 95,097 | $ 55,017 | $ 150,114 | 33.1% |
| Summit Venture Capital V | $ 45,000 | 6/16/2020 | $ 47,777 | $ 11,234 | $ 47,286 | $ 58,521 | 8.1% |
| Summit Partners Co-Invest (CS) | $ 13,753 | 10/22/2021 | $ 13,849 | $ - | $ 14,822 | $ 14,822 | 1.6% |
| Technology Crossover Ventures VIII | $ 60,000 | 5/8/2013 | $ 56,376 | $ 110,982 | $ 17,222 | $ 128,203 | 11.8% |
| Technology Crossover Ventures IX | $ 60,000 | 2/19/2016 | $ 52,252 | $ 78,411 | $ 33,631 | $ 112,042 | 18.0% |
| TCV Sports | $ 8,000 | 9/25/2018 | $ 8,000 | $ 2,636 | $ 12,370 | $ 15,006 | 9.0% |
| Technology Crossover Ventures X | $ 45,000 | 8/31/2018 | $ 38,003 | $ 29,576 | $ 75,155 | $ 104,731 | 22.0% |
| Technology Crossover Ventures XI | $ 45,000 | 10/2/2020 | $ 39,065 | $ 536 | $ 44,217 | $ 44,754 | 4.0% |
| Technology Impact Fund | $ 40,000 | 12/18/2017 | $ 40,458 | $ 39,809 | $ 195,147 | $ 234,956 | 43.7% |
| Technology Impact Fund II | $ 40,000 | 4/13/2021 | $ 28,535 | $ 354 | $ 38,696 | $ 39,050 | 14.2% |
| Technology Impact Growth Fund | $ 40,000 | 11/26/2018 | $ 53,951 | $ 65,971 | $ 79,505 | $ 145,475 | 26.0% |

# MainePERS Private Market Investments Summary: 03/31/2026

## Private Equity

| Fund Name | Commitment (A) | Date of Commitment | Amount Contributed (B) | Total Distributions (C) | Current Market Value (D) | Total Value (C+D) | Interim Net IRR |
|---|---|---|---|---|---|---|---|
| Technology Impact Growth Fund II | $ 40,000 | 8/6/2021 | $ 27,143 | $ 232 | $ 42,545 | $ 42,777 | 19.6% |
| TIGF II Direct Strategies LLC - Series 3 | $ 5,000 | 7/14/2023 | $ 5,054 | $ - | $ 4,990 | $ 4,990 | -0.5% |
| TIGF II Direct Strategies LLC - Series 5 | $ 5,000 | 12/13/2024 | $ 5,006 | $ - | $ 16,309 | $ 16,309 | NM |
| Tenex Capital Partners IV | $ 50,000 | 7/2/2024 | $ 9,022 | $ 3 | $ 6,733 | $ 6,736 | NM |
| Thoma Bravo Fund XI | $ 50,000 | 5/1/2014 | $ 81,645 | $ 193,062 | $ 25,682 | $ 218,744 | 25.9% |
| Thoma Bravo Fund XII | $ 60,000 | 4/27/2016 | $ 83,827 | $ 128,417 | $ 28,232 | $ 156,648 | 14.2% |
| Thoma Bravo Fund XIII | $ 45,000 | 12/7/2018 | $ 63,670 | $ 64,212 | $ 46,687 | $ 110,899 | 19.1% |
| Thoma Bravo Special Opportunities Fund II | $ 15,000 | 3/27/2015 | $ 19,358 | $ 31,471 | $ 11,145 | $ 42,616 | 15.5% |
| Thoma Bravo Discover Fund IV | $ 45,000 | 7/1/2022 | $ 43,298 | $ 8,199 | $ 48,379 | $ 56,578 | 14.1% |
| Thoma Bravo Discover Fund V | $ 50,000 | 5/31/2024 | $ 9,239 | $ - | $ 9,086 | $ 9,086 | NM |
| Tillridge Global Agribusiness Partners II | $ 50,000 | 10/21/2016 | $ 35,947 | $ 5,704 | $ 20,323 | $ 26,027 | -7.3% |
| Water Street Healthcare Partners III | $ 25,000 | 7/25/2012 | $ 30,908 | $ 78,727 | $ 8,898 | $ 87,625 | 34.5% |
| Water Street Healthcare Partners IV | $ 33,000 | 9/15/2017 | $ 42,662 | $ 37,118 | $ 42,892 | $ 80,010 | 16.6% |
| Water Street Healthcare Partners V | $ 43,000 | 4/15/2022 | $ 26,091 | $ - | $ 24,484 | $ 24,484 | -3.9% |
| Wayzata Opportunities Fund III | $ 30,000 | 9/11/2012 | $ 14,718 | $ 15,467 | $ 101 | $ 15,568 | 1.2% |
| Wynnchurch Capital Partners IV | $ 40,000 | 10/23/2014 | $ 38,904 | $ 88,890 | $ 23,159 | $ 112,049 | 23.9% |
| Wynnchurch Capital Partners V | $ 40,000 | 1/15/2020 | $ 37,155 | $ 9,570 | $ 45,727 | $ 55,297 | 12.1% |
| Wynnchurch Capital Partners VI | $ 40,000 | 1/18/2024 | $ 13,107 | $ - | $ 15,101 | $ 15,101 | NM |

# MainePERS Private Market Investments Summary: 03/31/2026

## Real Assets - Infrastructure

| Fund Name | Commitment (A) | Date of Commitment | Amount Contributed (B) | Total Distributions (C) | Current Market Value (D) | Total Value (C+D) | Interim Net IRR |
|---|---|---|---|---|---|---|---|
| Alinda Infrastructure Fund II | $ 50,000 | 9/17/2009 | $ 68,223 | $ 74,329 | $ - | $ 74,329 | 1.9% |
| ArcLight Energy V | $ 75,000 | 10/28/2011 | $ 76,031 | $ 103,624 | $ 90 | $ 103,713 | 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 | $ 149,442 | $ 43,472 | $ 192,914 | 3.9% |
| Great River Hydro Partners | $ 12,000 | 6/17/2017 | $ 10,718 | $ 45,187 | $ - | $ 45,187 | 39.5% |
| Brookfield Infrastructure Fund II | $ 100,000 | 6/28/2013 | $ 121,172 | $ 182,014 | $ 47,120 | $ 229,135 | 10.2% |
| Brookfield Infrastructure Fund III | $ 100,000 | 4/15/2016 | $ 118,068 | $ 113,454 | $ 87,243 | $ 200,697 | 11.6% |
| Co-Investment #1 | $ 20,000 | 3/31/2017 | $ 15,957 | $ 31,233 | $ 7,123 | $ 38,357 | 24.6% |
| Carlyle Global Infrastructure Opportunity Fund | $ 100,000 | 5/1/2019 | $ 107,405 | $ 33,832 | $ 119,545 | $ 153,377 | 10.8% |
| Carlyle Infrastructure Partners | $ 50,000 | 11/2/2007 | $ 57,960 | $ 65,216 | $ - | $ 65,216 | 2.5% |
| Carlyle Power Partners II | $ 50,000 | 11/19/2015 | $ 74,455 | $ 101,189 | $ 583 | $ 101,772 | 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 | $ 13,498 | $ 88,764 | $ 102,262 | 4.3% |
| Cube Infrastructure III | $ 90,000 | 8/16/2021 | $ 62,485 | $ 8,231 | $ 75,320 | $ 83,550 | 9.9% |
| EQT Infrastructure III | $ 68,000 | 12/3/2016 | $ 112,571 | $ 180,991 | $ 12,148 | $ 193,138 | 20.0% |
| EQT Infrastructure IV | $ 100,000 | 12/17/2018 | $ 108,953 | $ 33,741 | $ 127,378 | $ 161,118 | 9.3% |
| EQT Infrastructure V | $ 75,000 | 12/8/2020 | $ 77,188 | $ 17,702 | $ 84,844 | $ 102,547 | 9.8% |
| Global Energy & Power Infrastructure Fund | $ 50,000 | 6/30/2010 | $ 59,778 | $ 53,224 | $ 322 | $ 53,546 | -3.2% |
| Global Energy & Power Infrastructure Fund II | $ 100,000 | 10/21/2013 | $ 129,496 | $ 130,222 | $ 32,058 | $ 162,280 | 11.2% |
| Global Infrastructure Partners Sonic | $ 35,000 | 7/31/2020 | $ 35,130 | $ - | $ 12,955 | $ 12,955 | -17.8% |
| Global Infrastructure Partners | $ 75,000 | 3/31/2008 | $ 101,173 | $ 205,062 | $ 207 | $ 205,269 | 17.2% |
| Global Infrastructure Partners II | $ 75,000 | 12/3/2011 | $ 110,920 | $ 185,607 | $ 6,926 | $ 192,533 | 15.4% |
| Global Infrastructure Partners III | $ 150,000 | 4/15/2016 | $ 194,660 | $ 202,930 | $ 85,498 | $ 288,428 | 9.0% |
| Co-Investment #1 | $ 29,000 | 2/28/2017 | $ 32,337 | $ 38,822 | $ 19,912 | $ 58,734 | 11.3% |
| Co-Investment #2 | $ 25,000 | 8/16/2018 | $ 27,676 | $ 35,609 | $ - | $ 35,609 | 4.7% |
| Global Infrastructure Partners IV | $ 150,000 | 12/21/2018 | $ 159,034 | $ 31,475 | $ 167,102 | $ 198,577 | 6.9% |
| IFM Global Infrastructure (US), L.P. | $ 100,000 | 12/20/2012 | $ 144,550 | $ 208,040 | $ - | $ 208,040 | 9.8% |
| KKR Diversified Core Infrastructure Fund | $ 200,000 | 4/29/2022 | $ 115,339 | $ 15,339 | $ 123,336 | $ 138,675 | 7.1% |
| KKR Global Infrastructure Investors | $ 75,000 | 9/29/2010 | $ 87,917 | $ 154,328 | $ 100 | $ 154,428 | 13.1% |
| KKR Global Infrastructure Investors II | $ 150,000 | 10/24/2014 | $ 188,427 | $ 293,716 | $ 45,238 | $ 338,954 | 16.5% |

(all dollar amounts in thousands)

# MainePERS Private Market Investments Summary: 03/31/2026

## Real Assets - Infrastructure

| Fund Name | Commitment (A) | Date of Commitment | Amount Contributed (B) | Total Distributions (C) | Current Market Value (D) | Total Value (C+D) | Interim Net IRR |
|---|---|---|---|---|---|---|---|
| KKR Atlanta Co-Invest | $ 24,000 | 9/26/2014 | $ 21,428 | $ 28,551 | $ - | $ 28,551 | 5.7% |
| KKR Taurus Co-Invest II | $ 25,000 | 8/15/2017 | $ 25,000 | $ 56,779 | $ 879 | $ 57,658 | 21.2% |
| KKR Byzantium Infrastructure Aggregator | $ 15,000 | 10/17/2017 | $ 15,005 | $ 14,340 | $ 10,502 | $ 24,842 | 9.0% |
| KKR Global Infrastructure Investors III | $ 100,000 | 3/29/2018 | $ 107,846 | $ 81,529 | $ 67,991 | $ 149,520 | 9.7% |
| KKR Global Infrastructure Investors V | $ 25,000 | 9/30/2025 | $ 6,274 | $ 375 | $ 5,989 | $ 6,364 | NM |
| Meridiam Infrastructure (SCA) | $ 11,000 | 9/23/2015 | $ 47,587 | $ 34,823 | $ 40,905 | $ 75,728 | 9.9% |
| Meridiam Infrastructure (SCA) B Shares | $ 305 | 9/23/2015 | $ 305 | $ 25,703 | $ - | $ 25,703 | 58.7% |
| Meridiam Infrastructure Europe II (SCA) | $ 22,500 | 9/23/2015 | $ 36,936 | $ 61,474 | $ - | $ 61,474 | 8.4% |
| 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 | $ 90,892 | $ 29,658 | $ 110,124 | $ 139,783 | 10.1% |
| Meridiam Sustainable Infrastructure Europe IV | $ 90,000 | 4/16/2021 | $ 47,637 | $ 5,163 | $ 45,732 | $ 50,894 | 3.4% |
| Meridiam Infrastructure N.A. II | $ 75,000 | 9/28/2012 | $ 88,232 | $ 54,621 | $ 201,537 | $ 256,158 | 15.1% |
| MINA II CIP | $ 175 | 6/30/2015 | $ 169 | $ 2,517 | $ 22,734 | $ 25,251 | 81.0% |
| Meridiam Infrastructure N.A. II | $ 20,000 | 6/30/2015 | $ 18,870 | $ 10,373 | $ 51,625 | $ 61,998 | 18.9% |
| Meridiam Infrastructure N.A. III | $ 50,000 | 7/12/2017 | $ 44,213 | $ 4,761 | $ 58,660 | $ 63,421 | 11.0% |
| Meridiam Infrastructure Europe Core Fund | $ 57,000 | 12/30/2025 | $ 55,918 | $ 2,032 | $ 56,820 | $ 58,852 | NM |
| Stonepeak Infrastructure Partners II | $ 140,000 | 11/12/2015 | $ 192,848 | $ 267,387 | $ 7,429 | $ 274,816 | 12.6% |
| 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 | $ 38,449 | $ - | $ 38,449 | 11.2% |
| Stonepeak Infrastructure Partners III | $ 150,000 | 10/13/2017 | $ 179,938 | $ 69,548 | $ 184,679 | $ 254,227 | 8.3% |
| Stonepeak Guardian (Co-Invest) Holdings | $ 10,000 | 4/27/2023 | $ 10,000 | $ 769 | $ 13,794 | $ 14,562 | 14.8% |
| Stonepeak Infrastructure Partners IV | $ 125,000 | 5/8/2020 | $ 104,707 | $ 25,341 | $ 107,673 | $ 133,014 | 9.4% |
| Stonepeak Infrastructure Partners V | $ 25,000 | 6/28/2024 | $ 3,769 | $ 0 | $ 3,710 | $ 3,710 | NM |
| Stonepeak Core Infrastructure Fund | $ 100,000 | 8/5/2022 | $ 110,538 | $ 10,538 | $ 140,112 | $ 150,651 | 12.0% |
| Stonepeak Opportunities Fund | $ 50,000 | 6/12/2023 | $ 36,276 | $ 6,049 | $ 35,229 | $ 41,278 | 10.7% |

(all dollar amounts in thousands)

# MainePERS Private Market Investments Summary: 03/31/2026

## Real Assets - 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 | $ 14,879 | $ 62,635 | $ 77,514 | 7.9% |
| ACM Permanent Crops II | $ 35,000 | 5/12/2016 | $ 43,088 | $ 8,885 | $ 12,327 | $ 21,212 | -13.7% |
| AMERRA Agri Fund III | $ 50,000 | 2/11/2016 | $ 102,479 | $ 100,740 | $ 7,412 | $ 108,152 | 2.0% |
| Denham Mining Fund | $ 35,000 | 6/29/2018 | $ 35,232 | $ 659 | $ 41,853 | $ 42,511 | 3.7% |
| Homestead Capital Farmland II | $ 50,000 | 8/8/2016 | $ 57,900 | $ 13,329 | $ 53,529 | $ 66,858 | 2.5% |
| Homestead Capital Farmland III | $ 30,000 | 10/26/2018 | $ 34,248 | $ 5,858 | $ 30,808 | $ 36,666 | 1.9% |
| Orion Mine Finance Fund II | $ 50,000 | 5/25/2016 | $ 102,501 | $ 101,245 | $ 34,425 | $ 135,670 | 8.9% |
| Orion Mine Finance Co-Fund II | $ 20,000 | 8/13/2018 | $ 20,258 | $ - | $ 56,620 | $ 56,620 | 14.9% |
| Silver Creek Aggregate Reserves Fund | $ 100,000 | 11/6/2018 | $ 21,357 | $ 8,198 | $ 24,680 | $ 32,877 | NM |
| Sprott Private Resource Lending Fund III | $ 30,000 | 8/31/2022 | $ 18,155 | $ 4,008 | $ 20,467 | $ 24,476 | 21.4% |
| Sprott Private Resource Streaming and Royalty Annex | $ 40,000 | 5/17/2023 | $ 28,277 | $ 3,262 | $ 28,525 | $ 31,786 | 5.1% |
| Taurus Mining Fund | $ 50,000 | 3/27/2015 | $ 41,459 | $ 50,363 | $ - | $ 50,363 | 7.4% |
| Taurus Mining Fund Annex | $ 23,000 | 12/1/2016 | $ 18,547 | $ 24,419 | $ - | $ 24,419 | 17.3% |
| Taurus Mining Fund No. 2 | $ 75,000 | 4/18/2019 | $ 71,966 | $ 57,812 | $ 50,983 | $ 108,796 | 20.7% |
| Teays River Integrated Agriculture | $ 200,000 | 7/1/2015 | $ 192,265 | $ 35,112 | $ 302,177 | $ 337,290 | 5.7% |
| Twin Creeks Timber | $ 200,000 | 1/7/2016 | $ 206,183 | $ 102,180 | $ 153,464 | $ 255,643 | 4.0% |
| U.S. Farming Realty Trust III | $ 100,000 | 7/7/2015 | $ 110,017 | $ 11,565 | $ 161,972 | $ 173,537 | 6.1% |
| Canally Coinvest Holdings | $ 12,500 | 12/9/2019 | $ 12,537 | $ 37 | $ 27,166 | $ 27,203 | 17.1% |

(all dollar amounts in thousands)

# MainePERS Private Market Investments Summary: 03/31/2026

## Real Assets - 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 | $ 15,382 | $ 45,433 | $ 60,815 | 6.5% |
| Angelo Gordon Realty Fund XI | $ 50,000 | 3/31/2022 | $ 38,295 | $ 1,407 | $ 41,603 | $ 43,011 | 8.3% |
| Bain Capital Real Estate II | $ 50,000 | 3/5/2021 | $ 43,745 | $ 4,315 | $ 34,697 | $ 39,012 | -4.4% |
| Bain Capital Real Estate III | $ 35,000 | 12/18/2023 | $ 15,979 | $ 5,266 | $ 9,402 | $ 14,669 | 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 | $ 52,738 | $ 330,603 | $ 383,341 | 1.3% |
| Blackstone Real Estate Partners VII | $ 75,000 | 2/26/2012 | $ 107,786 | $ 162,274 | $ 5,681 | $ 167,955 | 14.2% |
| Blackstone Real Estate Partners VIII | $ 50,000 | 3/27/2015 | $ 67,702 | $ 72,806 | $ 25,381 | $ 98,187 | 11.1% |
| Blackstone Real Estate Partners IX | $ 40,000 | 12/21/2018 | $ 47,538 | $ 22,437 | $ 33,262 | $ 55,699 | 5.1% |
| Barings Asia Real Estate II | $ 50,000 | 7/31/2018 | $ 49,733 | $ 10,629 | $ 34,633 | $ 45,261 | -3.1% |
| EQT Real Estate II | $ 55,000 | 4/26/2019 | $ 51,020 | $ 19,231 | $ 39,987 | $ 59,218 | 5.5% |
| EQT Real Estate Rock Co-Investment | $ 11,000 | 8/10/2020 | $ 9,592 | $ 4,309 | $ 8,847 | $ 13,156 | 6.9% |
| 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 | $ 98,254 | $ 67,923 | $ 117,882 | $ 185,805 | 6.9% |
| HSRE-Coyote Maine PERS Core Co-Investment | $ 20,000 | 12/4/2020 | $ 16,158 | $ 3,316 | $ 6,394 | $ 9,710 | -11.5% |
| 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 | $ 16,179 | $ 27,412 | $ 43,591 | 12.9% |
| HSREF VI Elgin Co-Invest | $ 10,000 | 4/9/2021 | $ 9,335 | $ 15,208 | $ - | $ 15,208 | 13.2% |
| High Street Real Estate Fund VII | $ 35,000 | 8/16/2021 | $ 35,000 | $ 3,711 | $ 35,079 | $ 38,790 | 3.0% |
| High Street Real Estate VII Venture | $ 15,000 | 3/17/2023 | $ 15,000 | $ 1,572 | $ 17,835 | $ 19,407 | 10.9% |
| High Street Logistics Value Fund I | $ 35,000 | 4/17/2024 | $ 41,571 | $ 4,987 | $ 35,730 | $ 40,717 | NM |
| High Street VF I Co-Invest | $ 3,896 | 8/28/2024 | $ 5,043 | $ 1,148 | $ 4,808 | $ 5,956 | NM |
| High Street Logistics Value Fund II | $ 35,000 | 7/28/2025 | $ 0 | $ - | $ (1,144) | $ (1,144) | NM |
| Hines US Property Partners | $ 200,000 | 9/9/2021 | $ 221,885 | $ 30,292 | $ 221,351 | $ 251,643 | 4.9% |
| Invesco Real Estate Asia IV | $ 30,000 | 3/25/2020 | $ 26,412 | $ 22,197 | $ 6,885 | $ 29,082 | 6.9% |
| Invesco US Income Fund | $ 195,000 | 7/17/2014 | $ 265,763 | $ 107,040 | $ 316,401 | $ 423,441 | 7.5% |
| IPI Data Center Partners I | $ 30,000 | 12/15/2017 | $ 44,256 | $ 63,508 | $ 1,068 | $ 64,577 | 12.0% |
| IPI Data Center Partners II | $ 25,000 | 12/20/2019 | $ 24,535 | $ 1,619 | $ 30,707 | $ 32,326 | 8.4% |
| 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 | $ 54,595 | $ 58,250 | $ 7,157 | $ 65,407 | 6.4% |
| KKR Real Estate Partners Europe II | $ 25,000 | 12/23/2019 | $ 26,610 | $ 8,637 | $ 17,005 | $ 25,642 | -1.4% |
| KKR Real Estate Partners Americas I | $ 50,000 | 12/20/2013 | $ 50,181 | $ 61,062 | $ 267 | $ 61,329 | 10.5% |

(all dollar amounts in thousands)

# MainePERS Private Market Investments Summary: 03/31/2026

## Real Assets - Real Estate

| Fund Name | Commitment (A) | Date of Commitment | Amount Contributed (B) | Total Distributions (C) | Current Market Value (D) | Total Value (C+D) | Interim Net IRR |
|---|---|---|---|---|---|---|---|
| KKR Real Estate Partners Americas II | $ 50,000 | 6/2/2016 | $ 62,968 | $ 83,389 | $ 1,408 | $ 84,796 | 17.5% |
| Northbridge-Strategic Fund II | $ 30,000 | 2/8/2019 | $ 30,000 | $ 12,596 | $ 60,855 | $ 73,451 | 14.5% |
| 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 | $ 3,094 | $ 3,721 | -27.5% |
| LCC Co-Investor B | $ 15,000 | 10/18/2019 | $ 15,000 | $ - | $ - | $ - | -100.0% |
| Rubenstein Properties Fund IV | $ 25,000 | 4/16/2019 | $ 14,881 | $ 56 | $ 7,847 | $ 7,903 | -28.9% |
| Prudential Senior Housing Fund V | $ 50,000 | 3/17/2015 | $ 41,333 | $ 25,566 | $ 27,110 | $ 52,675 | 3.2% |
| Smart Markets Fund, L.P. | $ 195,000 | 6/17/2013 | $ 255,676 | $ 102,817 | $ 314,961 | $ 417,778 | 7.1% |
| Stonelake Opportunity Partners VII | $ 40,000 | 6/30/2022 | $ 28,000 | $ - | $ 26,427 | $ 26,427 | -3.8% |
| Walton Street Real Estate Fund VII | $ 50,000 | 5/9/2012 | $ 44,400 | $ 57,330 | $ 1,817 | $ 59,147 | 8.1% |
| Walton Street Real Estate Fund VIII | $ 50,000 | 10/23/2015 | $ 44,331 | $ 43,992 | $ 15,370 | $ 59,362 | 7.7% |
| 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 | $ 17,831 | $ 17,500 | $ 1,539 | $ 19,040 | 2.6% |
| Westbrook Real Estate Fund X | $ 50,000 | 1/15/2015 | $ 53,254 | $ 42,649 | $ 8,942 | $ 51,591 | -1.5% |
| Westbrook Real Estate Fund XI | $ 40,000 | 1/31/2019 | $ 44,693 | $ 23,832 | $ 25,124 | $ 48,957 | 4.8% |

(all dollar amounts in thousands)

# MainePERS Private Market Investments Summary: 03/31/2026

**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:** KAREN S. DOYLE, CHIEF FINANCIAL OFFICER

JENNIFER LIDBACK, DIRECTOR OF FINANCE

**SUBJECT:** FY26 AUDITED FINANCIAL STATEMENTS

**DATE:** OCTOBER 1, 2026

**POLICY REFERENCE**

Board Policy 1.6 – Finance and Audit Committee of the Board

Board Policy 4.5 – Board/Staff Relations

Board Policy 4.6 – Communication and Support to the Board

BerryDunn is completing its audit of the System's FY26 Financial Statements and Required Supplemental information, pending Board acceptance of the annual valuation reports. A draft of the financial statements follows this memo. The auditor's report will be provided as soon as it is available.

Mark LaPrade, Principal, and Leah Clair, Senior Manager, will present the draft financial statements at the October 8, 2026 meeting and will answer any questions you may have at that time. If the Board accepts the audited financial statements, they will be finalized following the meeting.

**RECOMMENDATION**

*Accept the FY26 Audited Financial Statements as presented.*

# Maine Public Employees Retirement System

*A Component Unit of the State of Maine*

Financial Statements,
Required Supplementary Information
and Additional Supplementary Information

For The Year Ended June 30, 2026
With Independent Auditor's Report

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AUDITOR'S REPORT – *(3 Pages)*

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**MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM**
(A Component Unit of the State of Maine)

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

June 30, 2026

## Introduction

This Management's Discussion and Analysis (MD&A) is prepared by the management staff of the Maine Public Employees Retirement System (MainePERS or the System) for the purpose of providing an overview of the System's financial statements.

## Overview of the Financial Statements

The System's financial statements are prepared on an accrual basis of accounting in accordance with Governmental Accounting Standards Board (GASB) pronouncements. The accrual basis of accounting requires the recognition and recording of financial transactions and other related events when they occur and not just in conjunction with the inflows and outflows of cash and other resources.

The funds managed by the System are held in trust and consistent with state and federal law can only be used for the payment of pension and related benefits to its members or, in the case of the Retiree Health Insurance Trust Fund, for the payment of retiree health insurance premiums for eligible retirees of the State of Maine. The System's Board of Trustees (the Board), as fiduciary, establishes the System's investment policies and oversees their overall implementation.

The System reports five defined benefit retirement plans consisting of the State Employee and Teacher Plan, a multiple-employer cost sharing plan with a special funding situation; the Judicial Plan, a single employer plan; the Legislative Plan, a single employer plan; the Participating Local District (PLD) Consolidated Plan, a multiple-employer cost sharing plan; and the PLD Agent Plan, an agent multiple-employer plan. The System also reports a Group Life Insurance Plan covering active state employees (including judges and legislators), teachers, and participating employees of the PLD Plan as well as two multiple-employer cost sharing other post-employment benefit (OPEB) plans providing life insurance coverage in retirement for retired state employees, including judges and legislators, teachers and eligible retirees of the PLD Plans. In addition, the System reports certain defined contribution plans, the MainePERS OPEB Trust, and the Retiree Health Insurance Trust Fund.

## Financial Summary

The Statement of Fiduciary Net Position reports the balance of Fiduciary Net Position restricted for future benefits as of the fiscal year end, with summarized values reported as of the previous fiscal year end. The Statement of Changes in Fiduciary Net Position reports the net change in Fiduciary Net Position for the fiscal year, with summarized values reported for the previous fiscal year. The System reports each as separate funds and in separate columns in the financial statements. Both statements are included in the Basic Financial Statements section of this report.

The Schedules of Changes in the Plan's Net Pension Liability and Related Ratios present the total pension liability and information indicating the source of changes in the liability for each defined benefit retirement plan administered by the System. In addition, they show summary information regarding each Plan's net position for the years presented. They also present each Plan's net pension liability as a percentage of the covered payroll.

The Schedules of Employer Contributions present the actuarially determined contributions for each defined benefit plan and compare them to actual employer contributions for the period presented. They also provide the actual contributions as a percentage of covered payroll for each year.

The Schedule of Investment Returns presents the annual money-weighted rate of return, net of investment expenses, for all of the defined benefit plans for each year presented. The Schedules of Changes in the Plan's Net Pension Liability, the Schedules of Employer Contributions and the Schedule of Investment Returns are included in the Required Supplementary Information section of this report.

The Schedules of Changes in the Plan's Net OPEB Liability and Related Ratios for the Group Life Insurance Plans (Required Supplementary Information) present the total OPEB liability and information indicating the source of changes in the liability for each OPEB plan administered by the System. In addition, they show summary information regarding each Plan's net position for the years presented. They also present each Plan's net OPEB liability as a percentage of the covered payroll.

The Schedules of Employer Contributions for the Group Life Insurance Plans (Required Supplementary Information) present the actuarially determined contributions for each OPEB plan and compare them to actual employer contributions for the periods presented. They also provide the actual contributions as a percentage of covered payroll for each year.

The Schedule of Investment Returns (Required Supplementary Information) presents the annual money-weighted rate of return, net of investment expenses, for all of the OPEB plans for each year presented.

**Detailed Analyses**

*Fiduciary Net Position*

The Fiduciary Net Position of the System increased by $2,396.7 million, or 10.7%, during fiscal year 2026 compared with the prior fiscal year. The increase was primarily due to investment returns and higher contributions, resulting in part from the increases to contribution rates and reported payroll. The increase was partially offset by higher benefit payments, primarily attributed to cost-of-living adjustments granted to eligible participants during the fiscal year.

During fiscal year 2025, the Fiduciary Net Position increased by $1,567.4 million, or 7.5%, compared with fiscal year 2024. This increase was attributable in part to investment income of $1,981.9 million. This increase was partially offset by benefit payments exceeding contributions by $350.4 million.

*Assets*

Investments at Fair Value increased by $2,385.1 million, or 10.7%, during fiscal year 2026. This increase primarily reflects investment performance during the fiscal year. In addition, cash and receivables increased by $7.6 million, resulting in an overall increase in total assets of $2,426.4 million.

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In comparison, Investments at Fair Value increased by $1,534.4 million, or 7.4%, during fiscal year 2025. This increase in Investments, combined with a $4.8 million decrease in cash and receivables, contributed to an overall increase in total assets of $1,546.4 million during fiscal year 2025. The System records the collateral on loaned securities due to its securities lending activity as an asset and corresponding liability. The increase of $28.1 million in collateral on loaned securities arose due to changes in the amount and type of securities on loan. Non-cash collateral is not recorded in total assets on the System's financial statements.

As of June 30, 2026 there were pending sales of $100.1 thousand. There were $98.2 thousand in pending sales at June 30, 2025 and there were $26.5 thousand in pending sales at June 30, 2024.

*Liabilities*

On June 30, 2026, total loans outstanding in the securities lending program were $46.6 million. On June 30, 2025 and 2024, the total loans outstanding in the securities lending program were $18.5 million and $3.4 million, respectively.

*Additions to Fiduciary Net Position*

Additions to Fiduciary Net Position totaled $3,836.9 million in fiscal year 2026, compared with $2,944.5 million in fiscal year 2025. Contributions from all sources increased by $234.6 million, while investment income, net of fees and other deductions, increased by $656.0 million. The increase in investment income was attributable to higher returns across the majority of the Fund's asset classes compared with fiscal year 2025.

In fiscal year 2025, additions to Fiduciary Net Position increased to $2,944.5 million from $2,418.1 million in fiscal year 2024. The increase was attributable primarily to higher investment income and increased contributions. Contributions from all sources increased by $70.3 million, while investment income, net of fees and other deductions, increased by $456.1 million, reflecting higher returns across public market asset classes.

The State's contributions on behalf of State employees totaled $228.7 million, $212.4 million, and $200.1 million for fiscal years 2026, 2025, and 2024, respectively. The State's contributions on behalf of teachers totaled $232.1 million, $220.8 million, and $297 million for fiscal years 2026, 2025, and 2024, respectively. The State's contribution on behalf of judges totaled $310 thousand, $426 thousand, and $456 thousand for fiscal years 2026, 2025, and 2024, respectively. The State's contributions on behalf of legislative employees totaled $0, $0 and $15 thousand for fiscal years 2026, 2025 and 2024, respectively.

The balance of employer contributions reported is from local school district employers and employers.

Member and employer data, and contribution and benefit data for the 5 non-consolidated PLDs are specific to each PLD and are obtainable from the System.

*Deductions from Fiduciary Net Position*

Total deductions from Fiduciary Net Position restricted for benefits increased by $63.1 million, or 4.6%, during fiscal year 2026. The increase was primarily attributable to the growth in the number of benefit recipients and higher benefit costs during the fiscal year. Refunds and withdrawals of contributions, together with other deductions, also contributed to the increase. Benefit payments exceeded contributions by $177.4 million, with contributions totaling $1,196.9 million, and benefit payments totaling $1,374.3 million.

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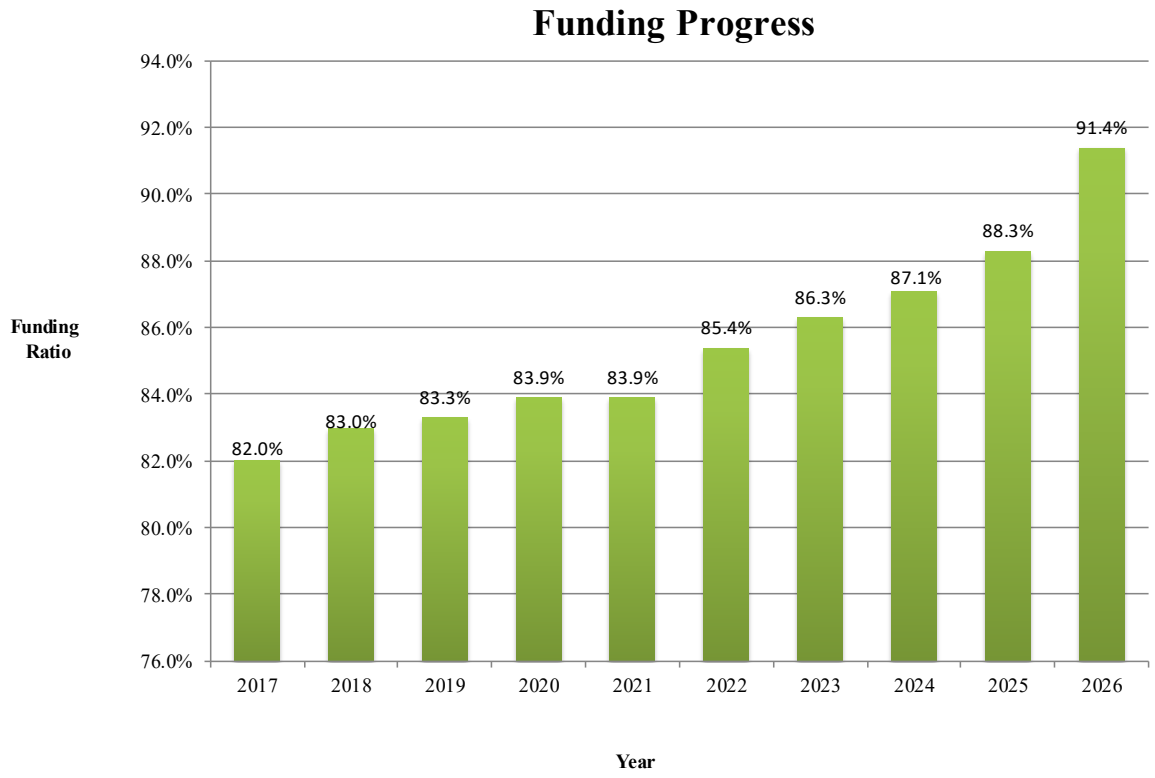
During fiscal year 2025, total deductions from Fiduciary Net Position restricted for benefits increased by $41.6 million, or 3.1%. The increase reflected growth in the number of benefit recipients and higher benefit costs, as well as increases in refunds and withdrawals of contributions and other deductions. Benefit payments exceeded contributions by $350.4 million, with contributions totaling $962.3 million, and benefit payments totaling $1,312.7 million.

**Significant Capital Asset and Long-Term Financing Activity**

There are no significant capital assets held by the system. The Schedule of Capital Assets is included in the Notes to the Financial Statements section of this report

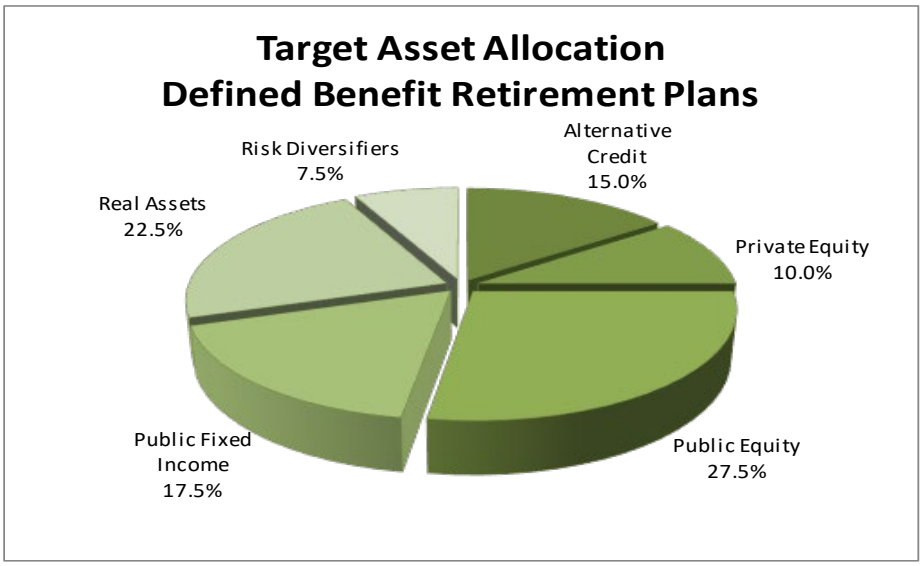
*System Funding Status – Aggregate*



At June 30, 2026, the State Employee and Teacher, Judicial, Legislative and PLD defined benefit plans were actuarially funded at 91.4%, up from 88.3% at June 30, 2025. As illustrated in the chart, the actuarial funded ratio of the System was 82.0% at June 30, 2017. The modest increases from 2017 through 2021 are attributable, in large part, to investment returns during those years. While investment returns were slightly negative in 2022, the actuarial funding ratio increased due to asset smoothing, which recognizes a portion of the current year losses as well as a portion of prior year gains into the actuarial value of assets. Positive investment returns in 2023, 2024, 2025 and 2026 contributed to an increase in the funding level in those years.

*Investments*

The assets of all the defined benefit retirement plans that the System administers are commingled for investment purposes.




The System's investment portfolio for the defined benefit retirement plans is invested across six asset classes: public equity, private equity, public fixed income, alternative credit, real assets, and risk diversifiers. Publicly traded derivative securities are used in some portfolios to obtain exposures to one or more of the asset classes in a cost effective manner. The investment policy established by the Board in 2016 and as amended in November 2025 assigned strategic target allocations for these asset classes, as shown in the above chart.

Assets of the Group Life Insurance Plans and the Retiree Health Insurance Trusts are invested separately from the assets of the defined benefit retirement plans. The target allocations for these assets are public equity (70%), traditional credit (15%), and U.S. Government (15%).

All of the assets invested by the System are in portfolios managed by professional investment management firms. These managers act as fiduciaries and invest the assets assigned to them in accordance with the Board's investment policy and their separate contractual arrangements. At June 30, 2026, total fair value of assets in these portfolios (together with the amounts otherwise managed) was $24.8 billion. The total fair value of assets as of June 30, 2025 and June 30, 2024 was $22.4 billion and $20.9 billion, respectively.

The investment return for the defined benefit plan assets, net of all fees, for the year ended June 30, 2026 was 11.6%. The investment return for the years ended June 30, 2025 and June 30, 2024, respectively, was 9.4% and 8.0%. Investment returns in fiscal year 2026 were higher than in fiscal year 2025, due to generally higher returns across public market asset classes. Over the five, ten and thirty year periods ended June 30, 2026, the average annual investment return for the total fund was 7.4%, 9.4%, and 7.5%, respectively.

*System Membership – Aggregate*

The following membership counts for all of the defined benefit plans are derived from actuarial valuation data:

| **Membership Type** | **2026** | **2025** | **% Change** |
|---|---|---|---|
| Current Participants: | | | |
| Vested and Non-vested | 56,515 | 55,890 | 1.1% |
| Terminated Participants: | | | |
| Vested | 12,775 | 12,591 | 1.5% |
| Inactive Due to Refund | 50,843 | 50,136 | 1.4% |
| Retirees and Beneficiaries Receiving Benefits | 52,337 | 51,515 | 1.6% |
| **Total Membership** | **172,470** | **170,132** | **1.4%** |

The number of active State employees at June 30, 2026 in the State Employee and Teacher Plan was 13,409, an increase of 71 from June 30, 2025. The number of active Teachers at June 30, 2026 was 28,386, an increase of 146 from June 30, 2025. Membership for judges increased by 1 to 65. Membership for Legislators was 181 at June 30, 2026, a decrease of 1 from the previous year. Total active membership in the PLD Consolidated Plan at June 30, 2026 was 14,474, an increase of 408 from June 30, 2025. There are no active members in the 4 remaining non-consolidated plans. More details on the member counts by plan are included in the Notes to the Financial Statements section of this report.

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*Group Life Insurance Plan*

The Group Life Insurance Plans provide life insurance coverage for eligible members of the defined benefit plans administered by the System. Eligible members include State employees, including judges and legislators, teachers and those PLD employees whose employers have elected to participate in the program, and whose positions are eligible for coverage. Eligible employees who elect coverage receive life insurance coverage while actively employed and may carry coverage into retirement. The following summarized data, stated in millions, is derived from actuarial valuation data for the Group Life Insurance Plan with respect to benefits in retirement:

| **Account Type** | **2026** | **2025** | **% Change** |
|---|---|---|---|
| Total OPEB Liability | $323.7 | $292.8 | 10.6% |
| Plan Net Position | $254.4 | $214.3 | 18.7% |
| **Net OPEB Liability** | **$69.3** | **$78.5** | **(11.7)%** |

*Defined Contribution Plans*

The Section 401(a), Section 457 and Section 403(b) Plans administered by the Board are defined contribution plans. These plans are provided as supplemental plans to the basic retirement benefits of employees of PLDs that elect to participate in the Defined Contribution Plans. Contributions may be made to the Plans subject to plan and Internal Revenue Code limitations. Investments in the Defined Contribution Plans are individually directed and controlled by plan participants.

*Retiree Health Insurance Trust Fund (State)*

The Maine State Legislature established the Retiree Health Insurance Post Employment Investment Trust (Investment Trust Fund) as an irrevocable trust for the sole purpose of holding and investing funds appropriated or otherwise provided to the Investment Trust Fund for the purpose of accumulating assets to provide funding to the State's unfunded liability obligations for retiree health benefits for retired employees of the State. The Trustees of the System were named Trustees of the Investment Trust Fund. At June 30, 2026, the Fiduciary Net Position Held in Trust for the Investment Trust Fund was $885.9 million.

*Retiree Health Insurance Trust Fund (Teacher)*

The Maine State Legislature established the Retiree Health Insurance Post Employment Investment Trust (Investment Trust Fund) as an irrevocable trust for the sole purpose of holding and investing funds appropriated or otherwise provided to the Investment Trust Fund for the purpose of accumulating assets to provide funding to the State's unfunded liability obligations for retiree health benefits for retired teachers. The Trustees of the System were named Trustees of the Investment Trust Fund. At June 30, 2026, the Fiduciary Net Position Held in Trust for the Investment Trust Fund was $194.1 million.

## Currently Known Facts, Decisions, or Conditions

Management is not aware of any currently known facts, decisions, or conditions that are expected to have a significant effect on the System's financial position or results of operations.

## Requests for Information

Questions concerning this Management's Discussion and Analysis, other parts of the System's financial statements or the System's financial activities should be directed to Maine Public Employees Retirement System, Karen S. Doyle, Chief Financial Officer, at PO Box 349, Augusta, Maine 04332 or at (207) 512-3100 or toll-free at (800) 451-9800.

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**MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM**
(A Component Unit of the State of Maine)

STATEMENT OF FIDUCIARY NET POSITION

June 30, 2026
With Summarized Information as of June 30, 2025

| Account | State Employee/Teacher Plan | Judicial Plan | Legislative Plan | PLD Consolidated Plan | PLD Agent Plan | Group Life Insurance | Group Life Insurance Retired SETP | Group Life Insurance Retired PLD | Defined Contribution | MainePERS OPEB Trust | Retiree Health Insurance Trust State | Retiree Health Insurance Trust Teachers | 2026 Total | 2025 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Assets** | | | | | | | | | | | | | | |
| Cash and cash equivalents (note 3) | $ 37,299,899 | $ 363,078 | $ 74,126 | $ 767,118 | $ 25,713 | $ 1,984,273 | $ 8,347,988 | $ 949,125 | $ 193,135 | $ - | $ - | $ - | $ 50,004,455 | $ 50,207,473 |
| Investments at fair value (note 3): | | | | | | | | | | | | | | |
| Common equity securities | $ 3,085,200,048 | $ 16,728,354 | $ 3,417,058 | $ 813,239,313 | $ 1,182,986 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 3,919,767,759 | $ 3,823,475,110 |
| Common/collective trusts | $ 6,623,879,537 | $ 35,915,531 | $ 7,336,373 | $ 1,746,012,951 | $ 2,539,854 | $ 13,748,174 | $ 225,518,673 | $ 30,947,192 | $ 98,319,648 | $ 24,877,942 | $ 883,903,799 | $ 194,120,775 | $ 9,887,120,449 | $ 7,838,962,550 |
| Partnerships | $ 8,630,296,327 | $ 46,794,583 | $ 9,558,608 | $ 2,274,891,787 | $ 3,309,192 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 10,964,850,497 | $ 10,724,139,560 |
| Total investments | $ 18,339,375,912 | $ 99,438,468 | $ 20,312,039 | $ 4,834,144,051 | $ 7,032,032 | $ 13,748,174 | $ 225,518,673 | $ 30,947,192 | $ 98,319,648 | $ 24,877,942 | $ 883,903,799 | $ 194,120,775 | $ 24,771,738,705 | $ 22,386,577,220 |
| Receivables: | | | | | | | | | | | | | | |
| Contributions and premiums (notes 6 and 7) | $ 29,662,920 | $ - | $ - | $ 16,883,910 | $ - | $ 683,766 | $ - | $ 332,612 | $ - | $ - | $ 2,000,000 | $ - | $ 49,563,208 | $ 40,369,320 |
| Accrued interest and dividends | $ 3,401,668 | $ 18,444 | $ 3,768 | $ 896,658 | $ 1,304 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 4,321,842 | $ 5,800,042 |
| Due from brokers for securities sold | $ 78,830 | $ 427 | $ 87 | $ 20,779 | $ 30 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 100,153 | $ 98,236 |
| Total receivables | $ 33,143,418 | $ 18,871 | $ 3,855 | $ 17,801,347 | $ 1,334 | $ 683,766 | $ - | $ 332,612 | $ - | $ - | $ 2,000,000 | $ - | $ 53,985,203 | $ 46,267,598 |
| Collateral on loaned securities (note 5) | $ 36,691,065 | $ 198,944 | $ 40,638 | $ 9,671,534 | $ 14,069 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 46,616,250 | $ 18,534,849 |
| Capital assets, net of accumulated depreciation | $ 15,777,791 | $ 85,549 | $ 17,475 | $ 4,158,926 | $ 6,050 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 20,045,791 | $ 14,443,196 |
| Total assets | $ 18,462,288,085 | $ 100,104,910 | $ 20,448,133 | $ 4,866,542,976 | $ 7,079,198 | $ 16,416,213 | $ 233,866,661 | $ 32,228,929 | $ 98,512,783 | $ 24,877,942 | $ 885,903,799 | $ 194,120,775 | $ 24,942,390,404 | $ 22,516,030,336 |
| **Liabilities** | | | | | | | | | | | | | | |
| Accounts payable | $ 2,749,659 | $ 14,909 | $ 3,045 | $ 724,793 | $ 1,054 | $ 648 | $ 10,622 | $ 1,458 | $ - | $ - | $ - | $ - | $ 3,506,188 | $ 3,662,107 |
| Due to brokers for securities purchased | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 7,437 |
| Other liabilities | $ 10,506,878 | $ 56,970 | $ 11,637 | $ 2,769,547 | $ 4,029 | $ 2,779,789 | $ 10,181,089 | $ 1,533,287 | $ 60,983 | $ 844,473 | $ 1,550 | $ 2,250 | $ 28,752,482 | $ 26,769,852 |
| Accrued investment management fees | $ - | $ - | $ - | $ - | $ - | $ 340 | $ 5,582 | $ 766 | $ - | $ 616 | $ 18,363 | $ 3,815 | $ 29,481 | $ 309,038 |
| Obligations under securities lending activities (note 5) | $ 36,691,065 | $ 198,944 | $ 40,638 | $ 9,671,534 | $ 14,069 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 46,616,250 | $ 18,534,849 |
| Total liabilities | $ 49,947,602 | $ 270,823 | $ 55,320 | $ 13,165,874 | $ 19,152 | $ 2,780,777 | $ 10,197,293 | $ 1,535,511 | $ 60,983 | $ 845,088 | $ 19,913 | $ 6,065 | $ 78,904,401 | $ 49,283,283 |
| **Fiduciary net position - restricted for benefits** | $ 18,412,340,483 | $ 99,834,087 | $ 20,392,813 | $ 4,853,377,102 | $ 7,060,046 | $ 13,635,436 | $ 223,669,368 | $ 30,693,418 | $ 98,451,800 | $ 24,032,854 | $ 885,883,886 | $ 194,114,711 | $ 24,863,486,003 | $ 22,466,747,053 |

The accompanying notes are an integral part of these financial statements.

**MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM**

(A Component Unit of the State of Maine)

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

Year Ended June 30, 2026
With Summarized Information for the Year Ended June 30, 2025

| Account | State Employee/ Teacher Plan | Judicial Plan | Legislative Plan | PLD Consolidated Plan | PLD Agent Plan | Group Life Insurance | Group Life Insurance Retired SETP | Group Life Insurance Retired PLD | Defined Contribution | MainePERS OPEB Trust | Retiree Health Insurance Trust State | Health Insurance Trust Teachers | 2026 Total | 2025 Summarized |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Additions (subtractions): | | | | | | | | | | | | | | |
| Investment income: | | | | | | | | | | | | | | |
| From investing activities: | | | | | | | | | | | | | | |
| Net appreciation in the fair value of plan investments | $ 1,983,819,761 | $ 10,775,643 | $ 2,192,290 | $ 521,142,809 | $ 777,976 | $ 1,869,621 | $ 34,846,955 | $ 4,870,639 | $ 14,650,805 | $ 3,823,844 | $ 111,866,941 | $ 23,715,914 | $ 2,714,353,196 | $ 2,042,884,930 |
| Interest | $ 2,496,767 | $ 13,594 | $ 2,755 | $ 651,999 | $ 988 | $ 1,811 | $ 29,514 | $ 4,111 | $ - | $ - | $ - | $ - | $ 3,201,539 | $ 19,579,758 |
| Dividends | $ 43,587,820 | $ 236,339 | $ 48,276 | $ 11,489,475 | $ 16,712 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 55,378,622 | $ 56,907,440 |
| Less: Investment expenses | $ (104,599,433) | $ (570,043) | $ (115,515) | $ (27,430,000) | $ (41,403) | $ (5,212) | $ (80,956) | $ (11,238) | $ (69,774) | $ (9,013) | $ (67,509) | $ (14,311) | $ (133,014,407) | $ (135,400,579) |
| Net income from investing activities | $ 1,925,304,915 | $ 10,455,533 | $ 2,127,806 | $ 505,854,283 | $ 754,273 | $ 1,866,220 | $ 34,795,513 | $ 4,863,512 | $ 14,581,031 | $ 3,814,831 | $ 111,799,432 | $ 23,701,603 | $ 2,639,918,950 | $ 1,983,971,550 |
| From securities lending activities: | | | | | | | | | | | | | | |
| Securities lending income | $ 199,910 | $ 1,084 | $ 221 | $ 52,695 | $ 77 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 253,987 | $ 253,986 |
| Borrower rebates refunded | $ (1,762,514) | $ (9,557) | $ (1,952) | $ (464,587) | $ (676) | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ (2,239,286) | $ (2,239,286) |
| Management fees | $ (29,961) | $ (162) | $ (33) | $ (7,898) | $ (11) | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ (38,065) | $ (38,066) |
| Total securities lending activities expenses | $ (1,792,475) | $ (9,719) | $ (1,985) | $ (472,485) | $ (687) | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ (2,277,351) | $ (2,277,352) |
| Net income from securities lending activities | $ (1,592,565) | $ (8,635) | $ (1,764) | $ (419,790) | $ (610) | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ (2,023,364) | $ (2,023,366) |
| Total investment income | $ 1,923,712,350 | $ 10,446,898 | $ 2,126,042 | $ 505,434,493 | $ 753,663 | $ 1,866,220 | $ 34,795,513 | $ 4,863,512 | $ 14,581,031 | $ 3,814,831 | $ 111,799,432 | $ 23,701,603 | $ 2,637,895,586 | $ 1,981,948,184 |
| Contributions and premiums (notes 6 and 7): | | | | | | | | | | | | | | |
| Members | $ 202,118,540 | $ 844,306 | $ 278,994 | $ 85,702,976 | $ - | $ 5,992,743 | $ - | $ - | $ 7,401,078 | $ - | $ - | $ - | $ 302,338,637 | $ 284,101,996 |
| Employers | $ 309,396,880 | $ 310,133 | $ - | $ 119,324,164 | $ 131,484 | $ 2,930,821 | $ 8,749,142 | $ 1,712,115 | $ 1,200,866 | $ 13,424 | $ 173,554,587 | $ 40,000,000 | $ 657,323,616 | $ 452,363,053 |
| Non-employer contributing entities (note 1) | $ 232,240,022 | $ - | $ - | $ - | $ - | $ - | $ 5,048,950 | $ - | $ - | $ - | $ - | $ - | $ 237,288,972 | $ 225,820,858 |
| Transfers from other plans | $ - | $ 1,751,777 | $ - | $ - | $ - | $ - | $ - | $ - | $ 300,800 | $ - | $ - | $ - | $ 2,052,577 | $ 285,300 |
| Total contributions and premiums | $ 743,755,442 | $ 2,906,216 | $ 278,994 | $ 205,027,140 | $ 131,484 | $ 8,923,564 | $ 13,798,092 | $ 1,712,115 | $ 8,902,744 | $ 13,424 | $ 173,554,587 | $ 40,000,000 | $ 1,199,003,802 | $ 962,571,207 |
| Total additions | $ 2,667,467,792 | $ 13,353,114 | $ 2,405,036 | $ 710,461,633 | $ 885,147 | $ 10,789,784 | $ 48,593,605 | $ 6,575,627 | $ 23,483,775 | $ 3,828,255 | $ 285,354,019 | $ 63,701,603 | $ 3,836,899,388 | $ 2,944,519,391 |
| Deductions: | | | | | | | | | | | | | | |
| Benefits paid | $ 1,103,710,735 | $ 6,204,926 | $ 618,209 | $ 243,553,317 | $ 733,709 | $ 7,333,284 | $ 9,673,638 | $ 2,141,064 | $ - | $ 291,927 | $ - | $ - | $ 1,374,260,809 | $ 1,312,723,032 |
| Refunds and withdrawals | $ 22,295,944 | $ 27 | $ 34,009 | $ 10,379,236 | $ 2,938 | $ - | $ - | $ - | $ 6,630,064 | $ - | $ - | $ - | $ 39,342,218 | $ 39,556,511 |
| Transfers to other plans | $ 1,704,412 | $ - | $ - | $ 348,165 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 2,052,577 | $ 285,300 |
| Claims processing expenses (note 7) | $ - | $ - | $ - | $ - | $ - | $ 178,080 | $ 1,812,933 | $ 266,075 | $ 8,665 | $ - | $ - | $ - | $ 2,265,753 | $ 3,393,721 |
| Administrative expenses | $ 16,327,658 | $ 89,693 | $ 18,038 | $ 4,255,920 | $ 6,690 | $ 57,313 | $ 1,032,387 | $ 146,782 | $ 300,800 | $ - | $ 1,900 | $ 1,900 | $ 22,239,081 | $ 21,122,741 |
| Total deductions | $ 1,144,038,749 | $ 6,294,646 | $ 670,256 | $ 258,536,638 | $ 743,337 | $ 7,568,677 | $ 12,518,958 | $ 2,553,921 | $ 6,939,529 | $ 291,927 | $ 1,900 | $ 1,900 | $ 1,440,160,438 | $ 1,377,081,305 |
| Net increase (decrease) in fiduciary net position | $ 1,523,429,043 | $ 7,058,468 | $ 1,734,780 | $ 451,924,995 | $ 141,810 | $ 3,221,107 | $ 36,074,647 | $ 4,021,706 | $ 16,544,246 | $ 3,536,328 | $ 285,352,119 | $ 63,699,703 | $ 2,396,738,950 | $ 1,567,438,086 |
| Fiduciary net position - restricted for benefits, beginning of year | $ 16,888,911,440 | $ 92,775,619 | $ 18,658,033 | $ 4,401,452,107 | $ 6,918,236 | $ 10,414,329 | $ 187,594,721 | $ 26,671,712 | $ 81,907,554 | $ 20,496,526 | $ 600,531,767 | $ 130,415,008 | $ 22,466,747,053 | $ 20,899,308,967 |
| Fiduciary net position - restricted for benefits, end of year | $ 18,412,340,483 | $ 99,834,087 | $ 20,392,813 | $ 4,853,377,102 | $ 7,060,046 | $ 13,635,436 | $ 223,669,368 | $ 30,693,418 | $ 98,451,800 | $ 24,032,854 | $ 885,883,886 | $ 194,114,711 | $ 24,863,486,003 | $ 22,466,747,053 |

The accompanying notes are an integral part of these financial statements.

## 1. Overview of the Maine Public Employees Retirement System Benefit Plans

*Background*

The Maine Public Employees Retirement System (the System or MainePERS), which is a component unit of the State of Maine, is the administrator of a public employee retirement system established and administered under the Laws of the State of Maine. The System was formerly named the Maine State Retirement System. The System provides pension, disability, and death benefits to its members, which include employees of the State, public school teachers (as defined by Maine law) and employees of 339 local municipalities and other public entities (participating local districts, or PLDs) in Maine, each of which contracts for participation in the System under provisions of the relevant statutes.

Individual PLDs are permitted by law to withdraw from participation in the System. Withdrawal precludes the PLD's nonmember employees, if any, and its employees hired subsequent to withdrawal from membership in the System. Depending on the circumstances and requirements of the PLD's participation under the System, a withdrawn PLD may have continuing funding obligations after withdrawal with respect to its employees who are active members at the time of withdrawal and who continue to be members thereafter, to its terminated vested employee members, and to its former employee members who are retired at the time of withdrawal.

*Board of Trustees*

The Board is comprised of eight members. State law specifies the composition of the Board, whose members are confirmed by the Legislature. Three trustees are System members, one of whom is proposed and elected by the Maine Education Association, one of whom is proposed and elected by the Maine State Employees Association, and one of whom is an active or retired PLD member appointed by the governing body of the Maine Municipal Association. Four other trustees are appointed by the Governor. Of these, one must be selected by the Governor from a list of nominees submitted by the Maine Retired Teachers Association and one must be a MainePERS retiree selected from a list of nominees submitted by State and/or PLD retirees. The remaining two appointees are direct gubernatorial appointments, both of whom must be qualified through training or experience in investments, accounting, banking or insurance or as actuaries. All appointed trustees are required to have "a working knowledge of retirement policy and legal issues and a general knowledge and understanding of banking, finance, and investment practices." The eighth trustee is the State Treasurer, who serves ex-officio. All trustee terms are three years, except for the two-year term of the State Treasurer. The Board annually elects its chair and vice chair from among its members.

*Defined Benefit Plans*

Pension funds managed by the System are constitutionally restricted and held in trust for the payment of pension and related benefits. The Board, in its fiduciary capacity, establishes the System's investment policies and oversees their overall implementation. The System administers five defined benefit pension plans consisting of the State Employee and Teacher Plan which includes the Governors' Plan, the Judicial Plan, the Legislative Plan, the PLD Consolidated Plan, and the PLD Agent Plan. The System maintains separate reserves and accounts and performs separate annual actuarial valuations for each pension plan. Additional information regarding each plan can be found in Note 6 of this report.

## 1. Overview of the Maine Public Employees Retirement System Benefit Plans (Continued)

*Group Life Insurance Plans*

The Group Life Insurance Plans (the Plans) were established by the State Legislature to provide group life insurance benefits, during active service as well as in retirement, to State employees, Teachers, members of the Judiciary and the Legislature, as well as Elected and Appointed Officers of the State, that are eligible for membership in the System. Group Life Insurance benefits are also provided to the employees of PLDs that elect to participate in the Plans. Generally, benefit plan provisions can only be amended through statutory change. Employees are eligible for coverage under the Plans, subject to their membership in one or more of the aforementioned eligible employment classes and any other conditions of eligibility that the Board may prescribe by rule or decision.

Group Life Insurance funds managed by the System are held in trust for the payment of benefits to participants and/or their beneficiaries. The Board, in its fiduciary capacity, establishes the System's investment policies and oversees their overall implementation. The System maintains separate reserves and accounts for both active and retiree coverage and biennial actuarial valuations are performed for each plan within the program. In those years where a full actuarial valuation is not completed, a roll-forward of plan liabilities from the previous valuation to the current fiscal year end with expected benefit payments and accruals is conducted. The liabilities for the fiscal year ended June 30, 2026 were calculated as part of a roll-forward actuarial valuation.

*Defined Contribution Plans*

The Section 401(a), Section 457 and Section 403(b) Plans (Defined Contribution Plans), administered by the System's Board of Trustees with funds held in trust, are defined contribution plans. These plans are available as supplemental plans to the basic retirement benefits of employees of PLDs that elect to participate in the Defined Contribution Plans. Contributions may be made to the Defined Contribution Plans by plan participants subject to plan and Internal Revenue Code limitations. At June 30, 2026, participation in the defined contribution plans was as follows:

| Participation Type | 401(a) Plan | 457 Plan | 403(b) Plan |
|---|---|---|---|
| Active Employers | 8 | 94 | 1 |
| Active Participants | 63 | 963 | 405 |
| Inactive Participants | 109 | 1,348 | 649 |

Investments in the Defined Contribution Plans are individually directed and controlled by plan participants. Benefits for deferred compensation, employer contributions, and earnings on the accounts are not recognized by Plan participants for income tax purposes until actually paid to the participant or beneficiary.

## 1. Overview of the Maine Public Employees Retirement System Benefit Plans (Concluded)

*MainePERS OPEB Trust*

The MainePERS Other Post-Employment Benefits (OPEB) Trust is an irrevocable trust established for the purpose of accumulating assets to provide funding for retiree health benefits and life insurance in retirement for qualified individuals who retire from MainePERS. The Trustees of the System were named Trustees of the MainePERS OPEB Trust. Contributions are made to the Trust on an annual basis in the amount equal to the actuarially determined contribution amount.

*Retiree Health Insurance Trust Fund*

The Maine State Legislature established the Retiree Health Insurance Post Employment Investment Trusts (Investment Trust Funds) as irrevocable trusts formed solely to hold and invest funds appropriated or otherwise provided to the Investment Trust Fund for the purpose of accumulating assets to provide funding to the State's unfunded liability obligations for retiree health benefits. The Trustees of the System were named Trustees of the Investment Trust Funds.

## 2. Summary of Significant Accounting Policies

*Basis of Accounting*

The System's financial statements are prepared using the accrual basis of accounting.

*Comparative Summarized Information*

The financial statements include certain prior-year summarized comparative information in total but not by fund. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. generally accepted accounting principles (U.S. GAAP). Accordingly, such information should be read in conjunction with the System's financial statements for the year ended June 30, 2025, from which the summarized information was derived.

*Use of Estimates*

The preparation of financial statements in conformity with U.S. GAAP requires management to make significant estimates and assumptions. These estimates affect the reported amounts of fiduciary net position at the date of the financial statements, the actuarial information included in the required supplementary information as of the actuarial information date, the changes in fiduciary net position during the reporting period and, when applicable, the disclosure of contingent assets and liabilities at the date of the financial statements, as reported in the notes to the financial statements. Actual results could differ from those estimates.

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**2. Summary of Significant Accounting Policies (Continued)**

*Revenue Recognition*

Pension contributions and group life insurance premiums, as well as contributions to the Retiree Health Insurance Trust, are recognized as additions in the period when they become due pursuant to formal commitments or statutory or contractual requirements. Contributions to Defined Contribution Plans are recognized in the period they are contributed.

Investment income includes net appreciation or depreciation in the fair value of investments, interest and dividend income, foreign currency transaction gains and losses, and securities lending income, less investment expenses, which include investment management and custodial fees and all other significant investment related costs. Dividends include income returns from partnerships. Investment income is recognized when earned and investment expenses are recorded when incurred.

*Benefits Paid and Refunds and Withdrawals*

Pension and group life insurance benefits and contributions and premium refunds and withdrawals to the System's members and beneficiaries are recognized as deductions when due and payable in accordance with the terms of the statutes. In addition, an estimate is made for group life insurance death benefits incurred before year end but not reported to the System until after year end. These are reflected as other liabilities. Distributions from Defined Contribution Plans and the Retiree Health Insurance Trust are recognized in the period the disbursement is made.

*Investments*

Investments are reported at fair value. Debt and equity securities that are traded on recognized exchanges are valued at the last sales price and the current exchange rates on the reporting date. Other regularly traded securities, including derivatives, are valued by the System's custodians through a variety of external sources. Investments that do not have an established market are reported at estimated fair value. The fair value of shares in common/collective trusts is based on unit values reported by the funds. The fair value of other investments, including private market partnerships, is based on third-party appraisals and valuations provided by the sponsor of the partnerships. Management reviews and approves all such appraisals and valuations prepared by other parties. Investment purchases and sales are recorded as of their trade date. Proceeds related to securities sold not yet purchased are carried as a liability and are adjusted to the fair value of the securities.

Assets of the defined benefit pension plans are pooled for investment purposes and are allocated to each plan based on each plan's fiduciary net position, as are investment expenses and administrative expenses. Assets of the Group Life Insurance Plans are pooled for investment purposes and are allocated to each plan based on each plan's fiduciary net position, as are investment expenses and administrative expenses. Other assets managed by the System are invested separately from the assets of the defined benefit pension plans and the Group Life Insurance Plans.

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## 2. Summary of Significant Accounting Policies (Continued)

*Due to/from Brokers*

Amounts due to/from brokers for securities purchased or sold consist of trades not yet settled.

*Cash and Cash Equivalents*

The System considers all highly liquid debt instruments that have a maturity of 90 days or less when purchased to be cash equivalents.

*Capital Assets*

All capital assets with a unit cost of $5,000 or greater are capitalized and reported in the accompanying financial statements. Purchased capital assets are valued at cost. Capital asset costs include the purchase price or construction cost, plus those costs necessary to place the asset in its intended location and condition for use. Depreciation is calculated using the straight-line method with estimated useful lives of 3 to 40 years.

These amounts are disclosed in the financial statements at June 30 as follows:

| Account Type | Beginning Balance | Increases | Decreases | Ending Balance |
|---|---|---|---|---|
| Capital assets, not being depreciated: | | | | |
| Assets in process | $ 586,220 | $ 722,328 | $ (1,033,447) | $ 275,101 |
| Subscription assets in process | $ 1,537,671 | $ 5,965,470 | $ - | $ 7,503,141 |
| Total capital assets not being depreciated | $ 2,123,891 | $ 6,687,798 | $ (1,033,447) | $ 7,778,242 |
| Capital assets, being depreciated: | | | | |
| Hardware | $ 1,364,716 | $ 9,771 | $ - | $ 1,374,487 |
| Software | $ 7,363,248 | $ 276,138 | $ - | $ 7,639,386 |
| Leasehold improvements | $ 855,880 | $ 747,537 | $ - | $ 1,603,417 |
| Other | $ 25,365 | $ - | $ - | $ 25,365 |
| Office equipment | $ 1,152,693 | $ - | $ - | $ 1,152,693 |
| Lease assets: | | | | |
| Rights to use leased equipment | $ 54,760 | $ - | $ - | $ 54,760 |
| Rights to use leased buildings | $ 15,737,999 | $ 74,323 | $ (68,795) | $ 15,743,527 |
| Subscription assets | $ 315,271 | $ - | $ - | $ 315,271 |
| Total capital assets being depreciated | $ 26,869,932 | $ 1,107,769 | $ (68,795) | $ 27,908,906 |
| Less accumulated depreciation for: | | | | |
| Hardware | $ (1,325,492) | $ (19,003) | $ - | $ (1,344,495) |
| Software | $ (6,744,005) | $ (315,796) | $ - | $ (7,059,801) |
| Leasehold improvements | $ (540,155) | $ (131,164) | $ - | $ (671,319) |
| Other | $ (20,295) | $ (5,070) | $ - | $ (25,365) |
| Office equipment | $ (1,140,453) | $ (8,696) | $ - | $ (1,149,149) |
| Lease assets: | $ - | $ - | $ - | $ - |
| Rights to use leased equipment | $ (9,373) | $ (18,447) | $ - | $ (27,820) |
| Rights to use leased buildings | $ (4,623,728) | $ (598,294) | $ 68,795 | $ (5,153,227) |
| Subscription assets | $ (147,127) | $ (63,054) | $ - | $ (210,181) |
| Total accumuulated depreciation | $ (14,550,628) | $ (1,159,524) | $ 68,795 | $ (15,641,357) |
| Total capital assets, being depreciated | $ 14,443,195 | $ 6,636,043 | $ (1,033,447) | $ 20,045,791 |

There were no capital assets held for sale as of June 30, 2026.

## 2. Summary of Significant Accounting Policies (Concluded)

*Administrative Expenses*

The cost of administering each of the plans managed by the System is financed primarily by investment income.

*Risks and Uncertainties*

The System makes investments in accordance with the Board's investment policy in a combination of equities, fixed income securities, infrastructure, private equity, real estate, derivative financial instruments, other investment securities and mutual funds and common/collective trusts holding such investments. The investment policy specifically prohibits investment managers from using derivative financial instruments to introduce leverage without specific prior approval by the Board. Investment securities and securities underlying certain investments are exposed to various risks, such as interest rate risk, market risk, custodial credit risk and credit risk. Investments in the Defined Contribution Plans are individually directed and controlled by plan participants. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, changes in the values of investment securities are likely to occur in the near term and it is at least possible that such changes could materially affect the amounts reported in the statements of fiduciary net position and changes in fiduciary net position.

*Defined Benefit Contributions*

Contributions to the Defined Benefit Plans from employers and non-employer contributing entities are established by an actuarial valuation on the basis of actuarial assumptions related to economic indicators (e.g., interest rates, inflation rates), and member and retiree compensation and demographics. By law, the assumptions are adopted by the Board based on recommendation of the System's actuary. The System is also required by Maine law to perform an actuarial experience study whenever the Board, on recommendation of its actuary, determines such a study to be necessary for actuarial soundness or prudent administration.

*New Accounting Pronouncements*

The System adopted Governmental Accounting Standards Board (GASB) Statement No. 103, *Financial Reporting Model Improvements*, and GASB Statement No. 104, *Disclosure of Certain Capital Assets* during the year ended June 30, 2026. GASB Statement No. 103 updates the guidance for financial reporting to help improve the effectiveness of the reports, and GASB Statement No. 104 provides additional guidance for disclosing capital assets, lease assets and subscription-based agreements. Adopting these statements had no material effect on the System's financial reporting.

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## 3. Cash and Cash Equivalents and Investments

The Board is responsible for identifying the System's investment objective and establishing an investment policy to meet that objective. The Board relies on staff and consultants with appropriate expertise to establish investment policy, monitor compliance with that policy, and determine whether the investment objective has been met. The Board established the strategic asset allocation as part of its overall investment policy. The policy identifies the following investment classes and targets for all defined benefit pension plan assets: public equity (27.5%), private equity (10%), alternative credit (15%), real assets (22.5%), public fixed income (17.5%), and risk diversifiers (7.5%). For the group life insurance plan assets, the policy identifies three investment classes and targets: public equity (70%), traditional credit (15%), and U.S. Government (15%).

Custodial credit risk is the risk that in the event of a financial institution failure, the System's deposits may not be returned to it. The System has no formal policy for custodial credit risk. Cash and cash-like securities are held at two institutions: Bangor Savings Bank and JP Morgan. Cash balances at Bangor Savings Bank are insured by the Federal Deposit Insurance Corporation up to $250,000. Bangor Savings Bank mitigates custodial credit risk through use of securities repurchase arrangements.

Cash equivalents at JP Morgan are invested in the JP Morgan Prime Money Market Fund. The JP Morgan Prime Money Market fund is composed of short-term debt securities held in a collective fund for the benefit of the System and other investors. All securities purchased in the JP Morgan Prime Money Market must either be payable on demand or have a maturity not exceeding eighteen months from the time of purchase.

The System's cash equivalents and investments are not exposed to custodial credit risk (a) because the underlying investments are registered in the name of the System and held by the System's custodian, or (b) because their existence is not evidenced by securities that exist in physical or book entry form.

These amounts are disclosed in the financial statements at June 30 as follows:

| Account Type | 2026 | 2025 |
|---|---|---|
| Cash and Cash Equivalents | $50,004,455 | $50,207,473 |
| Investments | $24,771,738,705 | $22,386,577,220 |
| **Total Fair Value** | $24,821,743,160 | $22,436,784,693 |

## 3. Cash and Cash Equivalents and Investments (Continued)

Credit risk is the risk an issuer or other counterparty to an investment will not fulfill its obligations to the System. The System has no formal policy on credit risk. The following table summarizes the System's aggregate fixed income portfolio credit ratings at June 30:

| | | | | |
|---|---|---|---|---|
| AAA | $ | 216,076,540 | $ | 151,358,398 |
| AA | $ | 2,092,033,133 | $ | 1,529,906,940 |
| A | $ | 860,408,131 | $ | 628,392,590 |
| BBB | $ | 854,713,136 | $ | 637,581,043 |
| Below BBB | $ | 113,236 | $ | 1,141,414 |
| Not Rated | $ | - | $ | 19,290,776 |
| **Total Credit Risk Debt** | **$** | **4,023,344,175** [2] | **$** | **2,967,671,162** [2] |

[1] Quality ratings are reported using S&P's rating categories and are based on bond ratings assigned by S&P, Moody's, and Fitch. The median rating is used when 3 ratings are available, and the lower or only rating is used in cases where only 2 or a single rating is available.

[2] Includes direct investments in debt securities held by the System as well as debt securities underlying investments in common/collective trusts. In 2026 and 2025, all amounts are from common/collective trusts.

Concentration of credit risk is the risk of loss that may be attributed to the magnitude of investment in a single issue. The System's investment policy places no limit on the amount the System may invest in any one issuer.

There were no individual investments that constitute 5% or more of fiduciary net position for the defined benefit pension plans administered by the System as of June 30, 2026.

There were no individual investments that constitute 5% or more of fiduciary net position for the other post-employment benefit plans administered by the System as of June 30, 2026.

## 3. Cash and Cash Equivalents and Investments (Continued)

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The System has no formal investment policy related to managing interest rate risk. All of the System's fixed income portfolios are managed in accordance with contractual guidelines. Contractual guidelines generally specify a range of effective duration for the portfolio. Duration is widely used in the management of fixed income portfolios as a measure of a debt investment's exposure to fair value changes arising from changing interest rates. The System's interest rate risk is closely aligned with the Barclays Capital Aggregate Index. The following table details the System's interest rate risk for its debt investments at June 30, 2026 and 2025, using the segmented time distribution method. Maturities are based on the weighted average maturities of underlying investments in the common/collective trusts.

| | | Maturities as of June 30, 2026 | | | |
|---|---|---|---|---|---|
| Investment Type | Fair Value | Less than 1 Year | 1 to 6 Years | 6 to 10 Years | 10+ Years |
| Common/ Collective Trusts | $ 4,023,344,175 | $ 20,934,831 | $ 1,619,647,598 | $ 1,737,922,413 | $ 644,839,333 |
| Total | $ 4,023,344,175 | $ 20,934,831 | $ 1,619,647,598 | $ 1,737,922,413 | $ 644,839,333 |

| | | Maturities as of June 30, 2025 | | | |
|---|---|---|---|---|---|
| Investment Type | Fair Value | Less than 1 Year | 1 to 6 Years | 6 to 10 Years | 10+ Years |
| Common/ Collective Trusts | $ 2,967,671,162 | $ 23,632,698 | $ 1,170,063,166 | $ 1,302,528,162 | $ 471,447,136 |
| Total | $ 2,967,671,162 | $ 23,632,698 | $ 1,170,063,166 | $ 1,302,528,162 | $ 471,447,136 |

Foreign currency risk is the risk that changes in exchange rates will adversely impact the recorded fair value of an investment. The System does not have a formal investment policy limiting the amount of foreign currency exposure of its investments. The System's currency exposures reside primarily in the System's international equity investments. The System may hedge a portfolio's foreign currency exposure with currency forward contracts depending on their views of the currency relative to the dollar.

## 3. Cash and Cash Equivalents and Investments (Continued)

All of the System's portfolios are managed in accordance with contractual guidelines. The System has nearly eliminated all direct exposure to foreign currency by using index funds, which means the System owns units of U.S. dollar denominated commingled funds rather than conducting transactions directly in foreign currency. The System is still indirectly exposed to all the foreign currencies within the index.

The System's direct and indirect exposure to foreign currency risk in U.S. dollars as of June 30, 2026 is highlighted in the following table:

| Currency | Total | Currency | Total |
|---|---|---|---|
| Australian Dollar | $ 98,034,406.0 | Peruvian Sol | $ 1,869,826 |
| Bermudian Dollar | $ 1,089,574.3 | Philippine Peso | $ 2,608,554 |
| Brazilian Real | $ 28,066,559.0 | Polish Zloty | $ 7,742,807 |
| British Pound Sterling | $ 239,975,240.9 | Qatari Rial | $ 4,020,864 |
| Canadian Dollar | $ 185,652,905.8 | Russian Ruble | $ 1,761 |
| Chilean Peso | $ 3,903,812.2 | Saudi Arabian Riyal | $ 19,539,983 |
| Chinese Yuan Renminbi | $ 115,375,149.0 | Singapore Dollar | $ 26,771,344 |
| Colombian Peso | $ 1,293,889.4 | South African Rand | $ 20,687,427 |
| Czech Koruna | $ 990,820.9 | Swedish Krona | $ 45,492,523 |
| Danish Krone | $ 23,679,555.5 | Swiss Franc | $ 127,091,538 |
| Egyptian Pound | $ 766,938.3 | Taiwan Dollar | $ 215,459,791 |
| Euro | $ 1,531,086,904.6 | Thai Baht | $ 8,910,222 |
| Hong Kong Dollar | $ 43,728,400.5 | Turkish Lira | $ 4,358,028 |
| Hungarian Forint | $ 2,524,231.6 | United Arab Emirates Dirham | $ 9,065,086 |
| Indian Rupee | $ 100,402,952.4 | **Total** | $ 3,471,544,831 |
| Indonesian Rupiah | $ 4,075,049.2 | | |
| Japanese Yen | $ 356,056,153.3 | | |
| Korean Won | $ 177,935,054.7 | | |
| Kuwaiti Dinar | $ 4,437,270.5 | | |
| Macanese Pataca | $ 339,920.7 | | |
| Malaysian Ringgit | $ 8,981,920.0 | | |
| Mexican Peso | $ 13,329,882.0 | | |
| New Israeli Sheqel | $ 22,709,064.0 | | |
| New Zealand Dollar | $ 3,112,681.1 | | |
| Norwegian Krone | $ 10,376,741.3 | | |

## 3. Cash and Cash Equivalents and Investments (Continued)

The System has entered into contracts to invest in partnerships with a focus on private equity, infrastructure, real estate and other investment strategies. As of June 30, 2026, the value of these investments is approximately $11.0 billion and the remaining funding commitment is approximately $3.2 billion.

For the year ended June 30, 2026, the annual money-weighted rate of return on all defined benefit plan investments, net of investment expenses, was 11.6%. For the year ended June 30, 2026, the annual money-weighted rate of return on all OPEB plan investments, net of investment expense, was 18.2%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested, based on monthly calculations.

The System categorizes its fair value measurements within the fair value hierarchy established by U.S. GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are other significant observable inputs. Valuation inputs used to value the System's Level 2 holdings include, but are not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market–corroborated inputs. Level 3 inputs are unobservable inputs. The System has the following recurring fair value measurements at June 30:

| | | Fair Value Measurements Using | | |
|---|---|---|---|---|
| | June 30, 2026 | Level 1 | Level 2 | Level 3 |
| Investments by fair value level | | | | |
| Common Equity | $ 3,919,767,763 | $ 3,919,767,763 | $ - | $ - |
| Common/Collective Trusts | $ 8,521,265,186 | $ - | $ 8,521,265,186 | $ - |
| Collateral from loaned securities | $ 18,534,848.0 | $ - | $ 18,534,848 | $ - |
| Total investments by fair value level | $ 12,459,567,797 | $ 3,919,767,763 | $ 8,539,800,034 | $ - |
| Investments measured at net asset value (NAV) | | | | |
| Alternative Credit | $ 1,838,389,273 | | | |
| Real Assets | $ 5,493,783,299 | | | |
| Private Equity | $ 3,629,738,475 | | | |
| Total investments measured at NAV | $ 10,961,911,047 | | | |

## 3. Cash and Cash Equivalents and Investments (Continued)

| | | Fair Value Measurements Using | | |
|---|---|---|---|---|
| | June 30, 2025 | Level 1 | Level 2 | Level 3 |
| Investments by fair value level | | | | |
| Common Equity | $ 3,823,475,110 | $ 3,823,475,110 | $ - | $ - |
| Common/Collective Trusts | $ 7,838,962,550 | $ - | $ 7,838,962,550 | $ - |
| Collateral from loaned securities | $ 18,534,849 | $ - | $ 18,534,849 | $ - |
| Total investments by fair value level | $ 11,680,972,509 | $ 3,823,475,110 | $ 7,857,497,399 | $ - |

| | |
|---|---|
| Investments measured at net asset value (NAV) | |
| Alternative Credit | $ 1,596,504,013 |
| Real Assets | $ 5,400,651,557 |
| Private Equity | $ 3,726,983,990 |
| Total investments measured at NAV | $ 10,724,139,560 |

*Common Equity*

Common equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets.

*Common/Collective Trusts*

Units of collective investment funds, including short-term investment funds, are valued based on quoted prices for similar assets, exchange rates, interest rates, credit risks and default rates. A unit value is determined for each fund on the valuation date. Valuation of each fund is determined each day the Fund is open for contributions and redemptions and, for financial reporting purposes, on the report date should the reporting period end on a date the Fund is not open. Unit values are determined by dividing each Fund's investments at fair value by the number of units outstanding on the valuation date.

*Investments Measured at NAV*

Alternative investments are generally reported at the NAV obtained from statements provided by the investment managers and assessed by the System as reasonable.

## 3. Cash and Cash Equivalents and Investments (Continued)

NAVs determined by investment managers generally consider variables including operating results, projected cash flows, recent sales prices and other pertinent information, and may reflect discounts for the illiquid nature of certain investments held. Due to the inherent uncertainties in valuation, the estimated fair values in NAV calculations may differ significantly from values that would have been used had a ready market existed.

The fair value and unfunded commitments for investments measured at NAV per share (or its equivalent) are presented in the following tables:

| | June 30, 2026 | |
|---|---|---|
| Investments Measured at NAV | Fair Value | Unfunded Commitments |
| Alternative Credit [(1)] | $ 1,838,389,273 | $ 1,446,274,951 |
| Real Assets [(2)] | $ 5,493,783,299 | $ 796,228,011 |
| Private Equity [(3)] | $ 3,629,738,475 | $ 996,879,733 |
| Total investments measured at NAV | $ 10,961,911,047 | $ 3,239,382,695 |

| | June 30, 2025 | |
|---|---|---|
| Investments Measured at NAV | Fair Value | Unfunded Commitments |
| Alternative Credit [(1)] | $ 1,596,504,013 | $ 1,030,586,492 |
| Real Assets [(2)] | $ 5,400,651,557 | $ 864,785,133 |
| Private Equity [(3)] | $ 3,726,983,989 | $ 965,077,037 |
| Total investments measured at NAV | $ 10,724,139,559 | $ 2,860,448,662 |

**(1)** Alternative Credit funds are funds that invest primarily in debt instruments issued by non-investment grade and unrated entities. Alternative credit investments are expected to pay or accrue periodic interest and to return principal at maturity. The fair values in this type have been determined using the NAV per share (or its equivalent) of the System's ownership interest in partners' capital. Alternative

## 3. Cash and Cash Equivalents and Investments (Concluded)

Credit funds are typically structured as partnerships with fixed lifetimes. These funds are generally not available for redemption, and distributions are received as underlying investments within the funds are liquidated, which on average can occur over a span of 7 or more years.

(2) Real Assets funds invest primarily in real estate, infrastructure, natural resources, and other investments that derive value from their physical and enduring characteristics. These funds provide diversification from equity, credit, and fixed-income investments and offer the potential for stable income, capital appreciation, and inflation protection. A substantial portion of Real Assets returns is expected to come from ongoing cash flows generated by the underlying investments. The fair values of these investments have been determined using the NAV per share (or its equivalent) of the System's ownership interest in partners' capital. These funds are generally not available for redemption, and distributions are received during the fund life from income generated by the underlying investments, as well as when underlying investments within the funds are liquidated, which on average can occur over a span of 10 or more years.

(3) Private Equity funds are funds that invest primarily in debt and equity securities of private businesses. The fair values in this type have been determined using the NAV per share (or its equivalent) of the System's ownership interest in partners' capital. These funds are generally not available for redemption, and distributions are received as underlying investments within the funds are liquidated, which on average can occur over a span of 10 or more years.

## 4. Derivative Securities

Derivative financial instruments are financial contracts whose value depends on the value of one or more underlying assets, reference rates or financial indices. They include futures, forwards, options, and swap contracts. In addition, some traditional securities can have derivative-like characteristics, e.g., asset-backed securities, including collateralized mortgage obligations, which are sensitive to changes in interest rates and to prepayments.

The System may be a party, both directly and indirectly, to various derivative financial investments that are used in the normal course of investing to enhance expected returns on investments, to manage the risk of exposure to changes in value of investments due to fluctuations in market conditions, and to gain

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## 4. Derivative Securities (Concluded)

passive exposure to markets. In addition to normal market risks, these investments may involve, to varying degrees, elements of interest rate risk, credit risk, leverage risk, counterparty risk, and custodial credit risk.

Leverage risk may be created with derivatives. Financial leverage generally involves borrowing and then reinvesting the proceeds with the hope of earning a higher rate of return than the borrowing costs. With derivative instruments, economic leverage may be effectively created without any explicit borrowing. Leveraged investments may be more volatile than if an investment had not been leveraged. Leveraging tends to exaggerate the effect of any increase or decrease in the value of an underlying investment. In a leveraged transaction, an amount more than the initial investment may be lost. The System's investment policy requires specific approval from the Board of any investment strategy that involves the use of direct financial leverage.

Counterparty risk is the risk that the counterparty to a derivative transaction is unwilling or unable to deliver on its obligations to the System.

The System manages leverage risk and counterparty risk on a manager by manager basis by establishing guidelines with each manager. The manager is customarily allowed to invest within these predetermined guidelines.

The System's managers may also invest in swaps. Interest rate swaps are used to adjust interest rate and yield curve exposures and substitute for physical securities. Long swap positions increase exposure to long term rates; short positions decrease exposure. Credit default swaps are used to manage credit exposure. Purchased credit default swaps decrease credit exposure, while written credit default swaps increase exposure. Total return swaps are a means to gain exposure to an index.

The System may also hold investments in futures and options, which are used to manage various risks within the portfolio. A financial futures contract is an agreement between two parties to buy or sell units of a particular index or a certain amount of a security at a set price on a future date. The System may purchase and sell financial futures contracts to hedge against the effect of changes in the values of securities it owns or expects to purchase.

In addition to the derivative financial instruments directly held, the System may have indirect exposure to risk through its ownership interests in commingled investment funds, which use, hold or write derivative financial instruments. There also may be indirect exposure in the securities lending programs in which the System participates, in which some collateral pools may include derivatives (Note 5). Where derivatives are held in those funds/pools, risks and risk management are as described above.

The System did not have any direct derivative investments as of June 30, 2026 or 2025 or during the years then ended.

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## 5. Securities Lending

The System has entered into agreements with its master custodian to lend to broker-dealers and other entities any type of security held in the System's portfolio and held with the master custodian. Securities are loaned against collateral that may include cash, U.S. government securities and irrevocable letters of credit. U.S. securities are loaned against collateral generally valued at 102% of the fair value of the securities plus any accrued interest. Non-U.S. securities are loaned against collateral valued at 105% of the fair value of the securities plus any accrued interest.

Non-cash collateral cannot be pledged or sold unless the borrower defaults. As a result, those securities are excluded from both assets and liabilities.

All securities loans can be terminated on demand by either the lender or the borrower. The average term of the System's loans was approximately 1 day as of June 30, 2026 and 2025.

Cash collateral is invested in a short-term investment account which had an interest sensitivity of 1 and 1 days as of June 30, 2026 and 2025, respectively. Cash collateral may also be invested separately in "term loans," in which case the investments match the loan term. These loans can be terminated on demand by either lender or borrower.

During fiscal years 2026 and 2025, there were no violations of legal or contractual provisions, and no borrower or lending agent default losses identified to the System by the securities lending agent. Securities lending earnings are credited to the System on approximately the fifteenth day of the following month.

Custodial credit risk is the risk that in the event of the insolvency of a borrower, and the master custodian has failed to live up to its contractual responsibilities relating to the lending of those securities, the System's securities are not returned to it. The master custodian's responsibilities include performing appropriate borrower and collateral investment credit analyses, demanding adequate types and levels of collateral, and complying with applicable Department of Labor and Federal Financial Institutions Examination Council regulations concerning securities lending. At June 30, 2026 and 2025, all of the collateral for securities lending is subject to custodial credit risk.

Because of the program's collateralization of loans, generally at 102% (or more), the System believes that there is no material credit risk.

Some of the System's assets are held in common/collective trusts and are subject to similar agreements arranged by those trusts. The income from those arrangements and the associated collateral are not included in the securities lending amounts reported.

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## 5. Securities Lending (Concluded)

Aggregate securities on loan by asset class are as follows:

| Securities on Loan | 2026 | 2025 |
|---|---|---|
| Domestic Equity Securities on Loan | $65,686,578 | $96,066,477 |
| Aggregate Securities Lending Collateral: | | |
| Short-term Investment Collateral Pool | $46,616,250 | $18,534,849 |
| Non-cash Collateral: | | |
| T-Notes | $15,504,860 | $62,344,995 |
| T-Bonds | $4,308,272 | $15,090,993 |
| T-Bills | $786,121 | $2,563,701 |
| **Total Collateral** | **$67,215,503** | **$98,534,538** |
| Collateral Ratio | 102.3% | 102.6% |

## 6. Defined Benefit Plans

*State Employee and Teacher Plan*

The State Employee and Teacher Plan administered by MainePERS is a multiple-employer cost sharing plan with a special funding situation. As of June 30, 2026, there were 241 employers, including the State of Maine, participating in the plan. The State of Maine is also a non-employer contributing entity in that the State pays the unfunded actuarial liability on behalf of teachers, while school districts contribute the normal cost, calculated actuarially, for their teacher members.

Plan membership counts for the State Employee and Teacher Plan at June 30 are as follows:

| Membership Type | 2026 | 2025 |
|---|---|---|
| Current Participants: | | |
| Vested and Non-vested | 41,795 | 41,578 |
| Terminated Participants: | | |
| Vested | 9,498 | 9,403 |
| Inactive Due to Refund | 39,521 | 40,078 |
| Retirees and Beneficiaries Receiving Benefits | 40,667 | 39,138 |
| **Total Membership** | **131,481** | **130,197** |

## 6. Defined Benefit Plans (Continued)

*Judicial Plan*

The Judicial Plan administered by MainePERS is a single-employer plan offered by the State of Maine.

Plan membership counts for the Judicial Plan at June 30 are as follows:

| Membership Type | 2026 | 2025 |
|---|---|---|
| Current Participants: | | |
| Vested and Non-vested | 65 | 64 |
| Terminated Participants: | | |
| Vested | 2 | 3 |
| Inactive Due to Refund | 1 | 1 |
| Retirees and Beneficiaries Receiving Benefits | 97 | 94 |
| **Total Membership** | **165** | **162** |

*Legislative Plan*

The Legislative Plan administered by MainePERS is a single-employer plan offered by the State of Maine.

Plan membership counts for the Legislative Plan at June 30 are as follows:

| Membership Type | 2026 | 2025 |
|---|---|---|
| Current Participants: | | |
| Vested and Non-vested | 181 | 182 |
| Terminated Participants: | | |
| Vested | 132 | 136 |
| Inactive Due to Refund | 91 | 96 |
| Retirees and Beneficiaries Receiving Benefits | 231 | 234 |
| **Total Membership** | **635** | **648** |

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## 6. Defined Benefit Plans (Continued)

*PLD Consolidated Plan*

The PLD Consolidated Plan administered by MainePERS is a multiple-employer cost sharing plan. Eligible employers (districts) are defined in Maine statute. As of June 30, 2026, there were 378 employers participating in the plan.

Plan membership counts for the PLD Consolidated Plan at June 30 are as follows:

| Membership Type | 2026 | 2025 |
|---|---|---|
| Current Participants: | | |
| Vested and Non-vested | 14,474 | 14,066 |
| Terminated Participants: | | |
| Vested | 3,143 | 3,049 |
| Inactive Due to Refund | 11,230 | 10,900 |
| Retirees and Beneficiaries Receiving Benefits | 11,307 | 11,073 |
| **Total Membership** | **40,154** | **39,088** |

*PLD Agent Plan*

The PLD Agent Plan administered by MainePERS is an agent multiple-employer plan for financial reporting purposes. This plan is an aggregation of single employer plans that were open when the PLD Consolidated Plan began. Under the legislation that created the consolidated plan, single employers could either join the consolidated plan whereby the single employer plan would end, or they could opt to not join the plan and continue to maintain their single employer plan as a closed plan until there were no further liabilities for pension, at which time the single employer plan would be dissolved. As of June 30, 2026, there were 4 employers in the plan.

Plan membership counts for the PLD Agent Plan at June 30 are as follows:

| Membership Type | 2026 | 2025 |
|---|---|---|
| Current Participants: | | |
| Vested and Non-vested | 0 | 0 |
| Terminated Participants: | | |
| Vested | 0 | 0 |
| Inactive Due to Refund | 0 | 1 |
| Retirees and Beneficiaries Receiving Benefits | 35 | 36 |
| **Total Membership** | **35** | **37** |

## 6. Defined Benefit Plans (Continued)

*Benefits*

Benefit terms are established in Maine statute; in the case of the PLD Consolidated Plan, an advisory group, also established by Maine statute, reviews the terms of the plan and periodically makes recommendations to the Legislature to amend the terms. The System's retirement programs provide defined retirement benefits based on members' average final compensation and service credit earned as of retirement. Vesting (i.e., eligibility for benefits upon reaching qualification) occurs upon the earning of five years of service credit (effective October 1, 1999, the prior ten year requirement was reduced by legislative action to five years for State employees and teachers; separate legislation enacted the same reduced requirement for judges, legislators, and employees of PLDs). In some cases, vesting occurs on the earning of one year of service credit immediately preceding retirement at or after normal retirement age. Normal retirement age for State employees and teachers, judges and legislative members is age 60, 62 or 65, and is determined based on date of membership. The normal retirement age is determined by whether a member had met certain creditable service requirements on specific dates, as established by statute. For PLD members, normal retirement age is 60 or 65. The monthly benefit of members who retire before normal retirement age by virtue of having at least 25 years of service credit is reduced by a statutorily prescribed factor for each year of age that a member is below her/his normal retirement age at retirement. The System also provides disability and death benefits which are established by statute for all participating employers under applicable statutory provisions.

Upon termination of membership, members' accumulated employee contributions are refundable with interest, credited in accordance with statute. Withdrawal of accumulated contributions results in forfeiture of all benefits and membership rights. The annual rate of interest credited to members' accounts is set by the Board and is currently 4.18%.

*Funding Policy*

The Maine Constitution, Maine statutes and the System's funding policy provide for periodic employer contributions in addition to the normal cost contributions for the State Employee and Teacher Plan. These are actuarially determined amounts that, based on certain actuarial assumptions, are sufficient to fully fund, on an actuarial basis, the initial unfunded actuarial accrued liability (IUAAL) that existed in the State Employee and Teacher Retirement Plan in 1996 by the year 2028. Level percentage of payroll employer contribution rates are determined using the entry age normal actuarial funding method. The System also uses the level percentage of payroll method to amortize the unfunded liability of the State Employee and Teacher Retirement Plan.

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## 6. Defined Benefit Plans (Continued)

*Net Pension Liability – State Employee and Teacher Plan*

The components of the net pension liability of the State of Maine and participating teacher employers, stated in millions of dollars as of June 30, 2026, were as follows:

| | |
|---|---|
| Total Pension Liability | $19,199.5 |
| Plan Fiduciary Net Position | $18,412.3 |
| **Net Pension Liability** | $787,2 |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 95.9% |

*Net Pension Liability – Judicial Plan*

The components of the net pension asset of the State of Maine for the Judicial Plan, stated in millions of dollars as of June 30, 2026, were as follows:

| | |
|---|---|
| Total Pension Liability | $85.7 |
| Plan Fiduciary Net Position | $99.8 |
| **Net Pension Asset** | $(14.1) |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 116.5% |

*Net Pension Liability – Legislative Plan*

The components of the net pension asset of the State of Maine for the Legislative Plan, stated in millions of dollars as of June 30, 2026, were as follows:

| | |
|---|---|
| Total Pension Liability | $14.3 |
| Plan Fiduciary Net Position | $20.4 |
| **Net Pension Asset** | $(6.1) |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 142.9% |

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## 6. Defined Benefit Plans (Continued)

*Net Pension Liability – PLD Consolidated Plan*

The components of the net pension asset of the PLD Consolidated Plan participating employers, stated in millions of dollars as of June 30, 2026, were as follows:

| | |
|---|---|
| Total Pension Liability | $5,091.0 |
| Plan Fiduciary Net Position | $4,853.4 |
| **Net Pension Liability** | $237.6 |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 95.33% |

*Actuarial Methods and Assumptions*

Actuarial valuations of ongoing plans involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Assumptions in an actuarial valuation typically include projections concerning future employment, mortality, and inflation. Actuarially determined contributions are subject to continual periodic revision as actual results are compared to past expectations and new estimates are made concerning the future. The Schedules of Changes in Net Pension Liabilities and Related Ratios, presented as Required Supplementary Information immediately following the Notes to Financial Statements, present multi-year trend information about whether the fiduciary net position of the plan is increasing or decreasing over time relative to the total pension liability of the plan.

Projections of benefits for financial reporting purposes are based on the provisions of the plans in effect at the time of each valuation and the historical pattern of sharing of costs between the employer and plan members. Actuarial methods and assumptions include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the funding methodologies.

The expected value of assets takes the prior year's actuarial value of assets and adjusts it for contributions, benefit payments, and expected interest earnings at the assumed rate for each plan. One-third of the difference between this expected value of assets and the actual fair value of assets is added to or subtracted from the expected value to provide the actuarial value of assets.

Costs are developed using the entry age normal cost method (based on a level percentage of covered payroll).

The initial unfunded actuarial pension liability of the State Employee and Teacher Program is amortized on a level percentage of payroll on a closed basis. The remaining amortization period as of June 30, 2026 was 3 years. All other gains, losses, and changes are amortized over twenty-year closed periods beginning on the date as of which they occur. The net pension liability of the Judicial and Legislative Plans is amortized on an open basis over a period of ten years. The net pension liability of the PLD Consolidated Plan is amortized on a level percentage of payroll using a method where a separate twenty-year closed

## 6. Defined Benefit Plans (Continued)

period is established annually for the gain or loss for that year. The amortization period can have a significant impact on contribution rates developed through the annual valuation process.

The total pension liability was determined by an actuarial valuation as of June 30, 2026, using the following actuarial assumptions, applied to all periods included in the measurement period. These same assumptions were used in the actuarial valuation as of June 30, 2025, except as indicated.

<table>
<tr><th></th><th>State Employee and Teacher Plan</th><th>Judicial Plan</th><th>Legislative Plan</th><th>PLD Consolidated Plan</th></tr>
<tr><td>Investment Rate of Return</td><td colspan="4">Per annum, compounded annually: 6.50% for June 30, 2026 and June 30, 2025</td></tr>
<tr><td>Inflation Rate</td><td colspan="4">2.75%</td></tr>
<tr><td rowspan="4">Annual Salary Increases, including</td><td colspan="4">For June 30, 2026</td></tr>
<tr><td>State employees, 3.26% - 11.74%; Teachers, 2.75% - 14.31%</td><td>3.00%</td><td>2.75%</td><td>2.75% - 12.51%</td></tr>
<tr><td colspan="4">For June 30, 2025</td></tr>
<tr><td>State employees, 3.26% - 9.43%; Teachers, 2.80% - 13.03%</td><td>2.75%</td><td>2.75%</td><td>2.75% - 11.48%</td></tr>
<tr><td>Cost of Living Benefit Increases</td><td colspan="3">2.20%</td><td>1.91%</td></tr>
<tr><td rowspan="4">Mortality Rates</td><td colspan="4">For June 30, 2026</td></tr>
<tr><td colspan="3">Based on the 2016 Public Plan General Benefits-Weighted Mortality Tables for males and females.</td><td>Based on the 2016 Public Plan General Benefits-Weighted Mortality Tables for males and females.</td></tr>
<tr><td colspan="4">For June 30, 2025</td></tr>
<tr><td colspan="3">State Employee, Judicial, and Legislative: based on the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, for males and females, projected generationally using the RPEC_2020 model. Teachers: based on the 2010 Public Plan Teacher Benefits-Weighted Healthy Retiree Mortality Table, for males and females, projected generationally using the RPEC_2020 model.</td><td>Based on the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, for males and females, projected generationally using the RPEC_2020 model.</td></tr>
</table>

The actuarial assumptions used in the June 30, 2026 and June 30, 2025 actuarial valuations were based on the results of an actuarial experience study for the period of June 30, 2011 to June 30, 2025.

The long-term expected rate of return on Defined Benefit Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major class of assets. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of

## 6. Defined Benefit Plans (Continued)

geometric real rates of return for each major asset class included in the target asset allocation as of June 30, 2026 are summarized in the following table:

| Long-Term Asset Class | Expected Real Rate of Return |
|---|---|
| Public Equities | 5.4% |
| Private Equity | 7.7% |
| Real Assets | 5.6% |
| Traditional Credit | 2.2% |
| Alternative Credit | 6.1% |
| Risk Diversifiers | 4.4% |

*Discount Rate*

The discount rate used to measure the total pension liability for each of the Defined Benefit Plans was 6.5%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and non-employer entity contributions will be made at contractually required rates, actuarially determined. Based on these assumptions, the fiduciary net position for each of the Defined Benefit Plans was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the Net Pension Liability to Changes in the Discount Rate*

The following table presents the net pension liability for the State Employee and Teacher Plan, Judicial Plan, Legislative Plan, and PLD Consolidated Plan calculated using the discount rate of 6.5%, as well as what the net pension liability would be if it were calculated using a discount rate of one percentage point lower (5.5%) or one percentage point higher (7.5%) than the current rate:

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**6. Defined Benefit Plans (Continued)**

| Net Pension Liability/(Asset) | 1% Decrease (5.5%) | Current Rate (6.5%) | 1% Increase (7.5%) |
|---|---|---|---|
| State Employee and Teacher Plan | $3,123,366,014 | $787,153,536 | $(1,171,070,890) |
| Judicial Plan | $(6,522,582) | $(14,108,529) | $(20,741,674) |
| Legislative Plan | $(4,566,415) | $(6,124,278) | $(7,426,813) |
| PLD Consolidated Plan | $930,614,731 | $237,616,619 | $(331,806,900) |

Information regarding sensitivity of the net pension liability to changes in the discount rate for individual single employer plans making up the PLD Agent Plan can be found in each Plan's annual actuarial report, available by contacting the System.

*Contributions*

Retirement benefits are funded by contributions from members and employers and by earnings from investments. Disability and death benefits are funded by employer normal cost contributions and by investment earnings. Member and employer normal cost contributions are each a percentage of applicable member compensation. Member contribution rates are defined by law or MainePERS' Board rule and depend on the terms of the plan under which a member is covered. Employers' contributions are determined by actuarial valuations.

Included in the Employers and Non-employer Contributing Entities Contributions reported in the statement of changes in fiduciary net position are contributions received from the State of Maine on behalf of State employees and teachers in the total amount of $460.8 million and $433.7 million, and for judges in the total amount of $310 thousand and $426 thousand, for the years ended June 30, 2026 and 2025, respectively. There were no contributions due from the State of Maine on behalf of legislators in 2026 or 2025.

Employer normal cost retirement contribution rates as applied to State employee members' and teacher members' compensation are the actuarially determined rates. The UAAL rate as applied to State employee members' compensation is first established through the annual valuation process as an amount that will meet the required UAAL payment amount; it is then adjusted in the State's budget process to take into account differences in salary growth projections of the State Budget Office. This adjusted rate, expressed as a percentage of payroll, is the actual rate paid by the State as payment of the required UAAL payment amount for State employees. For teachers, the actuarially determined UAAL amount is paid in twelve equal monthly installments. PLD employer contribution rates are the actuarially determined rates. The rates in effect in 2026 and 2025 are as follows:

## 6. Defined Benefit Plans (Concluded)

Contribution Rates[1] (effective July 1 through June 30 of each fiscal year)

| Contribution Rates by Plan | 2026 | 2025 |
|---|---|---|
| State: | | |
| Employees[2] | 7.65 - 8.65% | 7.65 - 8.65% |
| Employer[2] | 20.86 - 43.99% | 18.34 - 44.17% |
| Teachers: | | |
| Employees | 7.65% | 7.65% |
| Employers | 4.36% | 4.47% |
| Non-employer Entity | 14.44% | 14.51% |
| Judges: | | |
| Employees | 7.65% | 7.65% |
| Employers | 2.81% | 4.15% |
| Legislative: | | |
| Employees | 7.65% | 7.65% |
| Employers | 0.00% | 0.00% |
| Participating Local Districts: | | |
| Employees | 3.35 - 10.20% | 3.35 - 10.10% |
| Employers | 5.00 - 14.10% | 5.10 - 14.00% |

(1) Employer Contribution Rates include normal cost and UAAL required payment, expressed as a percentage of payroll.

(2) Employee and Employer retirement contribution rates vary depending on specific terms of plan benefits for certain classes of employees or, in the case of PLDs, on benefit plan options selected by a particular PLD. The contributions of withdrawn entities that do not have active employees but continue to have other liabilities are set in dollar amounts, not as rates.

## 7. Group Life Insurance Program

*Plan Description*

The Group Life Insurance Program administered by MainePERS is comprised of two multiple-employer cost-sharing defined benefit OPEB plans in addition to a multiple-employer cost sharing plan providing life insurance benefits to active employees. Group Life Insurance Program coverage for active employees is available to eligible participants and includes basic insurance consisting of life insurance and accidental

## 7. Group Life Insurance Program (Continued)

death and dismemberment insurance in the amount equal to the participant's annual base compensation rounded up to the next $1,000. Additional supplemental insurance coverage is available to those participants who elect basic coverage. Participants may also elect to insure the life of a dependent not otherwise insured under the basic and supplemental insurance provisions of the program.

*Group Life Insurance Plan for Retired State Employees and Teachers*

The Group Life Insurance Plan for Retired State Employees and Teachers is a multiple-employer cost sharing plan with a special funding situation. As of June 30, 2026, there were 244 employers, including the State of Maine, participating in the plan. The State of Maine is also a non-employer contributing entity in that the State pays contributions for retired public school teachers in the plan.

Plan membership counts for the Group Life Insurance Plan for Retired State Employees and Teachers as of the valuation date are as follows:

| Membership Type | 2026 | 2025 |
|---|---|---|
| Retired State Employees | 9,179 | 8,864 |
| Retired Teachers | 8,345 | 7,978 |
| Active State Employees | 12,126 | 11,839 |
| Active Teachers | 15,050 | 15,214 |
| **Total Membership** | **44,700** | **43,895** |

*Group Life Insurance Plan for Retired PLD Employees*

The Group Life Insurance Plan for Retired PLD employees is a multiple-employer cost sharing plan. As of June 30, 2026 there were 160 employers participating in the plan.

Plan membership counts for the Group Life Insurance Plan for Retired PLD Employees as of the valuation date are as follows:

| Membership Type | 2026 | 2025 |
|---|---|---|
| Retired PLD Employees | 3,127 | 2,957 |
| Active PLD Employees | 5,426 | 5,362 |
| **Total Membership** | **8,553** | **8,319** |

*Benefits*

The Group Life Insurance Plans provide basic group life insurance benefits, during retirement, to retirees who participated in the group life insurance plan prior to retirement for a minimum of 10 years (the 10-year participation requirement does not apply to recipients of disability retirement benefits).

## 7. Group Life Insurance Plan (Continued)

The level of coverage in retirement is initially set to an amount equal to the retiree's average final compensation. The initial amount of basic life is then subsequently reduced at the rate of 15% per year to the greater of 40% of the initial amount or $2,500.

*Funding Policy*

Premium rates are those determined by the System's Board of Trustees to be actuarially sufficient to pay anticipated claims. For State employee, judicial and legislative employment classes, the premiums for retiree life insurance coverage are factored into the premiums paid for basic coverage while participants are active members. Premiums for basic life insurance coverage for retired teachers are paid by the State of Maine as the total dollar amount of each year's annual required contribution. PLD employers with retired PLD employees are required to remit a premium of $0.50 per $1,000 of coverage per month during the post-employment retired period.

*Net OPEB Liability – Retired State Employee and Teacher Plan*

The components of the net OPEB liability of the State of Maine and participating teacher employers, stated in millions of dollars as of June 30, 2026, were as follows:

| | |
|---|---|
| Total OPEB Liability | $284.6 |
| Plan Fiduciary Net Position | $223.7 |
| **Net OPEB Liability** | **$60.9** |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability | 78.60% |

*Net OPEB Liability – PLD Plan*

The components of the net OPEB liability of the PLD Plan participating employers, stated in millions of dollars as of June 30, 2026, were as follows:

| | |
|---|---|
| Total OPEB Liability | $39.1 |
| Plan Fiduciary Net Position | $30.7 |
| **Net OPEB Liability** | **$8.4** |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability | 78.43% |

Actuarial valuations of ongoing plans involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Assumptions in an actuarial valuation typically include projections concerning future employment, mortality, and inflation. Actuarially determined contribution requirements are subject to continual periodic revision as actual results are compared to past expectations and new estimates are made concerning the future. The Schedule of Historical OPEB Information, presented as Required Supplementary Information immediately following the Notes to Financial Statements, will present multi-year trend information about whether the actuarial

## 7. Group Life Insurance Plan (Continued)

value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

*Actuarial Methods and Assumptions*

Projections of benefits for financial reporting purposes are based on the provisions of the plan in effect at the time of each valuation and the historical pattern of sharing of premium costs between the employer and plan members. Actuarial methods and assumptions include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the funding methodologies.

Costs are developed using the individual entry age normal cost method based on a level percentage of payroll.

Significant actuarial assumptions employed by the actuary for funding purposes as of June 30, 2026 are displayed in the table below. The valuation date is June 30, 2026. These same assumptions were used as of June 30, 2025 unless otherwise noted.

| | State employees, including judges and legislators | Teachers | PLD employees |
|---|---|---|---|
| Investment Rate of Return | Per annum, compounded annually: 6.50% for June 30, 2026 and June 30, 2025 | | |
| Inflation Rate | 2.75% | | |
| Annual Salary Increases, Including Inflation | For June 30, 2026 | | |
| | State employees: 3.26% - 11.74%; Judges: 3.00%; Legislators: 2.75% | 2.75% - 14.31% | 4.03% - 12.51% |
| | For June 30, 2025 | | |
| | State employees: 3.26% - 9.43%; Judges and Legislators: 2.75% | 2.80% - 13.03% | 2.75% - 11.48% |
| Mortality Rates | For June 30, 2026 | | |
| | Based on the 2016 Public Plan General Benefits-Weighted Employee MortalityTable for males and females. | Based on the 2016 Public Plan Teacher Benefits-Weighted Employee MortalityTable for males and females. | Based on the 2016 Public Plan General Benefits-Weighted Employee MortalityTable for males and females. |
| | For June 30, 2025 | | |
| | Based on the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, for males and females, projected generationally using the RPEC_2020 model. | Based on the 2010 Public Plan Teacher Benefits-Weighted Healthy Retiree Mortality Table, for males and females, projected generationally using the RPEC_2020 model. | Based on the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, for males and females, projected generationally using the RPEC_2020 model. |
| Participation Rate for Future Retirees | 100% of those currently enrolled | | |
| Conversion Charges | Apply to the cost of active group life insurance, not retiree group life insurance | | |
| Form of Benefit Payment | Lump sum | | |

## 7. Group Life Insurance Plan (Continued)

The unfunded actuarial accrued liability is being amortized as a level percentage of payroll over a 30-year period on a closed basis. As of June 30, 2026, there were 13 years remaining in the amortization schedule for state employees and teachers, and 6 years remaining for PLD employees.

The actuarial assumptions used in the June 30, 2026 and June 30, 2025 actuarial valuations were based on the results of an actuarial experience study conducted for the period of June 30, 2021 to June 30, 2024.

The long-term expected rate of return on OPEB Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major class of assets. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the target asset allocation as of June 30, 2026 are summarized in the following table:

| Long-Term Asset Class | Expected Real Rate of Return |
|---|---|
| Public Equities | 5.4% |
| Traditional Credit | 2.5% |
| U.S. Government | 1.9% |

*Discount Rate*

The discount rate used to measure the total OPEB liability for the State Employee and Teacher Plan and the PLD Plan was 6.5% in 2026 and 2025. The projection of cash flows used to determine the discount rate assumed that employer and non-employer entity contributions will be made at contractually required rates, actuarially determined. Based on these assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

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## 7. Group Life Insurance Plan (Continued)

*Sensitivity of the Net OPEB Liability to Changes in the Discount Rate*

The following table presents the net OPEB liability for the Retired State Employee and Teacher Plan calculated using the discount rate of 6.5%, as well as what the net OPEB liability would be if it were calculated using a discount rate of one percentage point lower (5.5%) or one percentage point higher (7.5%) than the current rate:

| Net OPEB Liability/(Asset) | 1% Decrease (5.5%) | Current Rate (6.5%) | 1% Increase (7.5%) |
|---|---|---|---|
| State Employee and Teacher Plan | $102,357,722 | $60,888,463 | $27,202,501 |

The following table presents the net OPEB liability for the PLD Plan calculated using the discount rate of 6.5%, as well as what the net OPEB liability would be if it were calculated using a discount rate of one percentage point lower (5.5%) or one percentage point higher (7.5%) than the current rate:

| Net OPEB Liability/(Asset) | 1% Decrease (5.5%) | Current Rate (6.5%) | 1% Increase (7.5%) |
|---|---|---|---|
| PLD Consolidated Plan | $14,459,518 | $8,439,985 | $3,597,210 |

*Premiums*

The basic life benefits for participants are funded by the State, school districts, PLDs and individuals. Participants pay additional premiums for supplemental and dependent insurance based upon the coverage selected.

Maine statute requires the System's Board of Trustees to establish on a regular basis the premium rates for participants in the Group Life Insurance Plan. The premium rates are determined to be actuarially sufficient to pay anticipated claims and cover administrative costs. The State of Maine remits premiums at a single rate that supports basic coverage for active and retired state employees (including Legislative and Judicial employees). This rate is $1.04 per month for every $1,000 of coverage. The State remits premiums for retired teachers at a rate of $.78 per month for every $1,000 of coverage. As per individual collective bargaining agreements between employers and employees, individual school districts or teachers themselves pay premiums at the rate of $.13 per month for every $1,000 of coverage while active, and employees of participating local districts or the district itself pay premiums of $.52 per month for every $1,000 in coverage for employees while active and retired. In those cases where employees themselves pay premiums, those premiums are usually deducted from employees' compensation and remitted to the System.

Included in the Employers and Non-employer Contributing Entities Contributions and Premiums in the Statement of Changes in Fiduciary Net Position are group life insurance premiums received from the State of Maine on behalf of active and retired state employees, retired teachers, legislators, and judges in the total amount of $16.7 and $14.9 million, respectively, for the years ended June 30, 2026 and 2025.

## 7. Group Life Insurance Plan (Concluded)

*Benefits*

Upon service retirement, only basic life insurance in an amount equal to the retiree's average final compensation will continue at no cost to the participant as long as the retiree participated in the group life insurance plan prior to retirement for a minimum of 10 years.

If a participant becomes eligible for disability retirement, the amount of basic insurance in force at the time of such retirement will be continued until normal retirement age, after which the amount will be reduced at the same rate as for a service retiree. The 10-year participation requirement does not apply to recipients of disability retirement benefits.

Under the Accidental Death and Dismemberment provisions of the plan, no legal action can be brought to recover any benefit after 3 years from the deadline for filing claims. The deadline for filing claims under the Accidental Death and Dismemberment provisions of the plan is 90 days after the date of the loss giving rise to the claim.

*Claims Processing Expenses*

All benefits are processed and paid by a third-party administrator (TPA). The fees incurred for services performed by the TPA totaled $1.5 million and $1.5 million for the years ended June 30, 2026 and 2025, respectively, and are listed as claims processing expenses in the basic financial statements.

## 8. Statutory and Constitutional Requirements

An amendment to the Maine constitution approved in November 1995 requires the State of Maine to fund the unfunded actuarial liability of the State Employee and Teacher Retirement Plan existing on June 30, 1996, over a period not to exceed 31 years beginning July 1, 1997, and not later than June 30, 2028. The amendment prohibits the creation of new unfunded liabilities in that Plan except those arising from experience losses, which under the 1995 amendment must be funded over a period of not more than ten years. An amendment approved in November 2017 extends the period from ten years to twenty years.

## 9. The System's Employee Benefits

*Defined Benefit Plan*

The System, as the employer of its staff, is a PLD in the PLD Consolidated Plan. As such, the System's employees are required by statute to contribute 7.05% or 7.8% of their annual covered salaries, depending on which plan they participate in. The System is required to contribute at the contribution rate established by the Board under the actuarial valuation of the PLD Consolidated Plan. The contribution rate was 10.2% and 10.2% of annual covered payroll for 2026 and 2025, respectively.

## 9. The System's Employee Benefits (Concluded)

The employer contributions on behalf of its employees, equal to the required contribution, were $1,144,235 and $1,200,193 for 2026 and 2025, respectively. The actuarial assumptions used in the PLD Consolidated Plan valuation are described in the actuarial assumptions and methods footnote to the required supplementary information.

The System's contributions to the PLD Consolidated Plan are treated as administrative costs of the Plan and are funded as a component of normal cost and included in the contribution rates paid by all employers in each of the plans administered by the System. Accordingly, the System does not reflect a portion of the collective net pension liability or related deferred inflows and outflows of resources related to pension obligations in the System's basic financial statements.

*Group Life Insurance Plan*

The System, as the employer of its staff, is a PLD in the Group Life Insurance Plan. The System pays the premiums for Basic only coverage for all active employees. Employees who elect additional coverage under the Supplemental and/or Dependent provisions have the additional required premiums withheld from their pay in order to fund such coverage.

The System was required to pay premiums for Basic coverage at the rate of $0.50 per $1,000 of coverage for the 2026 and 2025 fiscal years. The total premiums the System paid on behalf of its active employees, equal to the required contributions, were $77,698 and $66,744 for 2026 and 2025, respectively.

*Other Post-Employment Benefits*

The System provides OPEB to its retirees in the form of health insurance coverage and group life insurance coverage. The System's annual OPEB costs are actuarially determined based on the parameters of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.*

The total contributions for retiree health insurance coverage, equal to the actuarially determined contributions, were $0 for 2026 and 2025. The OPEB liability for this plan is immaterial and the Plan's assets exceed its actuarial liability at June 30, 2026 and 2025. The actuarial liability is calculated using assumptions similar to those used for the System's defined benefit plan.

The total contributions for retiree group life insurance coverage, equal to the actuarially determined contributions, were $10,739 and $9,276 for 2026 and 2025, respectively. The OPEB liability for this plan is immaterial.

## 10. Risk Management

The System carries insurance to cover its exposure to various risks of loss. There were no uninsured losses during the last three years.

**REQUIRED SUPPLEMENTAL SCHEDULE**

**SCHEDULE OF HISTORICAL PENSION INFORMATION**
**STATE EMPLOYEE AND TEACHER PLAN**

**June 30, 2026**
**(UNAUDITED)**

**SCHEDULE OF CHANGES IN THE PLAN'S NET PENSION LIABILITY AND RELATED RATIOS**
**LAST TEN FISCAL YEARS**

| | 2026 | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Total pension liability** | | | | | | | | | | |
| Service cost | $ 331,643,797 | $ 307,220,179 | $ 292,531,569 | $ 278,327,390 | $ 271,706,726 | $ 238,775,193 | $ 231,226,103 | $ 224,775,112 | $ 215,826,380 | $ 213,047,075 |
| Interest | $ 1,194,788,836 | $ 1,148,592,212 | $ 1,115,326,282 | $ 1,080,895,886 | $ 1,052,840,572 | $ 989,560,149 | $ 968,243,358 | $ 934,009,648 | $ 914,535,911 | $ 886,834,221 |
| Changes of benefit terms | $ 2,855,717 | $ 1,969,365 | $ 25,675,350 | $ 6,574,283 | $ 104,916,162 | $ - | $ 1,223,156 | $ - | $ - | $ - |
| Differences between expected and actual experience | $ 223,724,516 | $ 344,923,985 | $ 155,752,965 | $ 174,376,812 | $ 107,921,791 | $ 25,575,263 | $ 162,293 | $ 208,719,412 | $ 34,151,279 | $ 95,207,531 |
| Changes of assumptions | $ (197,797,613) | $ - | $ - | $ - | $ - | $ 1,175,893,728 | $ - | $ - | $ 191,998,939 | $ - |
| Benefit payments, including refunds of member contributions | $ (1,125,781,237) | $ (1,083,215,811) | $ (1,059,251,999) | $ (1,001,430,769) | $ (947,944,497) | $ (902,913,135) | $ (882,617,693) | $ (851,469,104) | $ (810,211,176) | $ (780,157,263) |
| Net change in total pension liability | $ 429,434,016 | $ 719,489,930 | $ 530,034,167 | $ 538,743,602 | $ 589,440,754 | $ 1,526,891,198 | $ 318,237,217 | $ 516,035,068 | $ 546,301,333 | $ 414,931,564 |
| Total pension liability, beginning | $ 18,770,059,781 | $ 18,050,569,851 | $ 17,520,535,684 | $ 16,981,792,082 | $ 16,392,351,328 | $ 14,865,460,130 | $ 14,547,222,913 | $ 14,031,187,845 | $ 13,484,886,512 | $ 13,069,954,948 |
| Total pension liability, ending (a) | $ 19,199,493,797 | $ 18,770,059,781 | $ 18,050,569,851 | $ 17,520,535,684 | $ 16,981,792,082 | $ 16,392,351,328 | $ 14,865,460,130 | $ 14,547,222,913 | $ 14,031,187,845 | $ 13,484,886,512 |
| **Plan fiduciary net position** | | | | | | | | | | |
| Contributions - member | $ 202,118,540 | $ 192,912,415 | $ 179,506,016 | $ 171,937,520 | $ 164,348,772 | $ 159,510,002 | $ 151,438,848 | $ 146,019,051 | $ 140,844,880 | $ 139,464,284 |
| Contributions - employer | $ 309,396,659 | $ 515,032,447 | $ 295,754,590 | $ 265,119,318 | $ 348,890,554 | $ 239,444,343 | $ 225,468,762 | $ 218,530,934 | $ 211,251,144 | $ 211,037,365 |
| Contributions - non-employer | $ 232,240,022 | $ - | $ 214,917,732 | $ 200,007,456 | $ 194,654,436 | $ 179,329,944 | $ 174,530,364 | $ 132,980,832 | $ 129,421,735 | $ 116,080,164 |
| Net investment income / (loss) | $ 1,923,712,351 | $ 1,470,150,598 | $ 1,119,831,175 | $ 881,906,560 | $ (79,389,989) | $ 3,192,036,232 | $ 354,272,726 | $ 768,987,130 | $ 1,077,827,554 | $ 1,256,043,735 |
| Benefit payments, including refunds of member contributions | $ (1,126,006,681) | $ (1,083,436,916) | $ (1,059,472,862) | $ (1,001,644,268) | $ (948,151,998) | $ (903,115,909) | $ (882,819,483) | $ (851,653,558) | $ (810,381,770) | $ (780,325,980) |
| Administrative expenses | $ (16,327,658) | $ (15,456,603) | $ (13,682,533) | $ (11,964,126) | $ (11,962,324) | $ (11,088,956) | $ (11,343,928) | $ (11,180,852) | $ (10,076,242) | $ (9,216,027) |
| Other | $ (1,704,412) | $ (400) | $ (300,000) | $ (904,562) | $ (341,271) | $ (384,565) | $ (2,193,752) | $ (311,233) | $ - | $ (124,178) |
| Net change in fiduciary net position | $ 1,523,428,821 | $ 1,079,201,541 | $ 736,554,118 | $ 504,457,898 | $ (331,951,820) | $ 2,855,731,091 | $ 9,353,537 | $ 403,372,304 | $ 738,887,301 | $ 932,959,363 |
| Plan fiduciary net position, beginning | $ 16,888,911,440 | $ 15,809,709,899 | $ 15,073,155,781 | $ 14,568,697,883 | $ 14,900,649,703 | $ 12,044,918,612 | $ 12,035,565,075 | $ 11,632,192,771 | $ 10,893,305,470 | $ 9,960,346,107 |
| Plan fiduciary net position, ending (b) | $ 18,412,340,261 | $ 16,888,911,440 | $ 15,809,709,899 | $ 15,073,155,781 | $ 14,568,697,883 | $ 14,900,649,703 | $ 12,044,918,612 | $ 12,035,565,075 | $ 11,632,192,771 | $ 10,893,305,470 |
| Plan's net pension liability, ending (a)-(b) | $ 787,153,536 | $ 1,881,148,341 | $ 2,240,859,952 | $ 2,447,379,903 | $ 2,413,094,199 | $ 1,491,701,625 | $ 2,820,541,518 | $ 2,511,657,838 | $ 2,398,995,074 | $ 2,591,581,042 |
| Plan fiduciary net position as a percentage of the total pension liability | 95.90% | 89.98% | 87.59% | 86.03% | 85.79% | 90.90% | 81.03% | 82.73% | 82.90% | 80.78% |
| Covered payroll | $ 2,725,187,073 | $ 2,571,039,099 | $ 2,437,075,004 | $ 2,312,413,537 | $ 2,221,410,193 | $ 2,096,365,332 | $ 2,003,075,813 | $ 1,924,006,618 | $ 1,808,274,919 | $ 1,860,294,435 |
| Plan net pension liability as a percentage of covered payroll | 28.88% | 73.17% | 91.95% | 105.84% | 108.63% | 71.16% | 140.81% | 130.54% | 132.67% | 139.31% |

See notes to historical pension and OPEB information.

See accompanying independent auditors' report.

**REQUIRED SUPPLEMENTAL SCHEDULE**

**SCHEDULE OF HISTORICAL PENSION INFORMATION**
**JUDICIAL PLAN**

**June 30, 2026**
**(UNAUDITED)**

**SCHEDULE OF CHANGES IN THE PLAN'S NET PENSION LIABILITY AND RELATED RATIOS**
**LAST TEN FISCAL YEARS**

| | 2026 | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Total Pension Liability** | | | | | | | | | | |
| Service cost | $ 2,210,620 | $ 2,039,372 | $ 1,747,988 | $ 1,770,062 | $ 1,733,281 | $ 1,546,701 | $ 1,608,376 | $ 1,596,832 | $ 1,487,383 | $ 1,465,977 |
| Interest | $ 5,328,717 | $ 5,136,720 | $ 4,985,781 | $ 4,916,069 | $ 4,875,889 | $ 4,822,289 | $ 4,644,191 | $ 4,582,454 | $ 4,442,404 | $ 4,358,175 |
| Changes of benefit terms | $ 1,751,777 | $ - | $ 55,424 | $ 18,706 | $ 273,590 | $ - | $ - | $ - | $ - | $ - |
| Differences between expected and actual experience | $ 622,354 | $ 798,920 | $ 1,098,347 | $ (110,488) | $ (150,154) | $ 1,066,613 | $ 942,561 | $ (1,087,164) | $ 468,895 | $ (893,352) |
| Changes of assumptions | $ (1,066,844) | $ - | $ - | $ - | $ - | $ 836,266 | $ - | $ - | $ 697,807 | $ - |
| Benefit payments, including refunds of member contributions | $ (6,204,952) | $ (5,737,550) | $ (5,627,267) | $ (5,433,883) | $ (5,094,485) | $ (4,681,415) | $ (4,314,558) | $ (4,067,506) | $ (3,804,709) | $ (3,651,927) |
| Net change in total pension liability | $ 2,641,672 | $ 2,237,462 | $ 2,260,273 | $ 1,160,466 | $ 1,638,121 | $ 3,590,454 | $ 2,880,570 | $ 1,024,616 | $ 3,291,780 | $ 1,278,873 |
| Total pension liability, beginning | $ 83,083,886 | $ 80,846,424 | $ 78,586,151 | $ 77,425,685 | $ 75,787,564 | $ 72,197,110 | $ 69,316,540 | $ 68,291,924 | $ 65,000,144 | $ 63,721,271 |
| Total pension liability, ending (a) | $ 85,725,558 | $ 83,083,886 | $ 80,846,424 | $ 78,586,151 | $ 77,425,685 | $ 75,787,564 | $ 72,197,110 | $ 69,316,540 | $ 68,291,924 | $ 65,000,144 |
| **Plan Fiduciary Net Position** | | | | | | | | | | |
| Contributions - member | $ 844,306 | $ 784,044 | $ 731,941 | $ 620,462 | $ 650,172 | $ 635,871 | $ 616,095 | $ 620,075 | $ 603,875 | $ 584,451 |
| Contributions - employer | $ 310,133 | $ 425,640 | $ 456,322 | $ 662,365 | $ 867,895 | $ 738,939 | $ 715,963 | $ 1,212,666 | $ 1,179,328 | $ 1,144,445 |
| Contributions - non-employer | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Net investment income (loss) | $ 10,446,897 | $ 8,186,745 | $ 6,297,740 | $ 5,093,775 | $ (453,509) | $ 19,279,640 | $ 2,164,283 | $ 4,709,445 | $ 6,606,905 | $ 7,799,507 |
| Benefit payments, including refunds of member contributions | $ (6,204,952) | $ (5,737,550) | $ (5,627,267) | $ (5,433,883) | $ (5,094,485) | $ (4,681,415) | $ (4,314,558) | $ (4,067,506) | $ (3,804,709) | $ (3,651,927) |
| Administrative expenses | $ (89,693) | $ (86,545) | $ (78,691) | $ (70,478) | $ (72,167) | $ (67,680) | $ (69,406) | $ (68,475) | $ (61,708) | $ (56,436) |
| Other | $ 1,751,777 | $ - | $ - | $ 729,841 | $ 29,746 | $ 473,431 | $ 764,902 | $ (2,604) | $ - | $ - |
| Net change in fiduciary net position | $ 7,058,468 | $ 3,572,334 | $ 1,780,045 | $ 1,602,082 | $ (4,072,348) | $ 16,378,786 | $ (122,721) | $ 2,403,601 | $ 4,523,691 | $ 5,820,040 |
| Plan fiduciary net position, beginning | $ 92,775,619 | $ 89,203,285 | $ 87,423,240 | $ 85,821,158 | $ 89,893,506 | $ 73,514,720 | $ 73,637,441 | $ 71,233,840 | $ 66,710,149 | $ 60,890,109 |
| Plan fiduciary net position, ending (b) | $ 99,834,087 | $ 92,775,619 | $ 89,203,285 | $ 87,423,240 | $ 85,821,158 | $ 89,893,506 | $ 73,514,720 | $ 73,637,441 | $ 71,233,840 | $ 66,710,149 |
| Plan's net pension (asset) liability, ending (a)-(b) | $ (14,108,529) | $ (9,691,733) | $ (8,356,861) | $ (8,837,089) | $ (8,395,473) | $ (14,105,942) | $ (1,317,610) | $ (4,320,901) | $ (2,941,916) | $ (1,710,005) |
| Plan fiduciary net position as a percentage of the total pension liability | 116.46% | 111.66% | 110.34% | 111.25% | 110.84% | 118.61% | 101.83% | 106.23% | 104.31% | 102.63% |
| Covered payroll | $ 11,036,762 | $ 10,256,386 | $ 9,567,971 | $ 8,658,366 | $ 8,502,222 | $ 8,312,022 | $ 8,053,577 | $ 8,116,908 | $ 7,893,732 | $ 7,639,818 |
| Plan net pension (asset) liability as a percentage of covered payroll | (127.83)% | (94.49)% | (87.34)% | (102.06)% | (98.74)% | (169.71)% | (16.36)% | (53.23)% | (37.27)% | (22.38)% |

See notes to historical pension and OPEB information.

See accompanying independent auditors' report.

**REQUIRED SUPPLEMENTAL SCHEDULE**

**SCHEDULE OF HISTORICAL PENSION INFORMATION**
**LEGISLATIVE PLAN**

**June 30, 2026**
**(UNAUDITED)**

**SCHEDULE OF CHANGES IN THE PLAN'S NET PENSION LIABILITY AND RELATED RATIOS**
**LAST TEN FISCAL YEARS**

| | 2026 | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Total Pension Liability** | | | | | | | | | | |
| Service cost | $ 624,244 | $ 332,880 | $ 392,233 | $ 311,209 | $ 375,207 | $ 286,472 | $ 334,862 | $ 297,324 | $ 282,199 | $ 264,807 |
| Interest | $ 867,638 | $ 739,676 | $ 732,992 | $ 702,689 | $ 698,694 | $ 657,782 | $ 611,447 | $ 577,720 | $ 565,088 | $ 530,313 |
| Changes of benefit terms | $ - | $ - | $ 15,225 | $ 5,513 | $ 43,111 | $ - | $ - | $ - | $ - | $ - |
| Differences between expected and actual experience | $ 665,714 | $ 1,440,285 | $ (305,190) | $ 64,885 | $ (199,354) | $ 180,989 | $ 413,313 | $ 238,611 | $ (90,816) | $ 157,775 |
| Changes of assumptions | $ (598,890) | $ - | $ - | $ - | $ - | $ 374,000 | $ - | $ - | $ 99,915 | $ - |
| Benefit payments, including refunds of member contributions | $ (652,218) | $ (721,855) | $ (670,376) | $ (655,401) | $ (618,847) | $ (549,461) | $ (697,697) | $ (606,841) | $ (459,746) | $ (469,043) |
| Net change in total pension liability | $ 906,488 | $ 1,790,986 | $ 164,884 | $ 428,895 | $ 298,811 | $ 949,782 | $ 661,925 | $ 506,814 | $ 396,640 | $ 483,852 |
| Total pension liability, beginning | $ 13,362,047 | $ 11,571,061 | $ 11,406,177 | $ 10,977,282 | $ 10,678,471 | $ 9,728,689 | $ 9,066,764 | $ 8,559,950 | $ 8,163,310 | $ 7,679,458 |
| Total pension liability, ending (a) | $ 14,268,535 | $ 13,362,047 | $ 11,571,061 | $ 11,406,177 | $ 10,977,282 | $ 10,678,471 | $ 9,728,689 | $ 9,066,764 | $ 8,559,950 | $ 8,163,310 |
| **Plan Fiduciary Net Position** | | | | | | | | | | |
| Contributions - member | $ 278,994 | $ 348,339 | $ 183,506 | $ 226,997 | $ 161,937 | $ 214,905 | $ 156,306 | $ 220,611 | $ 153,881 | $ 202,388 |
| Contributions - employer | $ - | $ - | $ 15,225 | $ 5,513 | $ 43,111 | $ - | $ - | $ - | $ - | $ - |
| Contributions - non-employer | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Net investment income (loss) | $ 2,126,042 | $ 1,617,499 | $ 1,235,988 | $ 975,107 | $ (89,007) | $ 3,559,227 | $ 390,165 | $ 845,408 | $ 1,176,463 | $ 1,366,222 |
| Benefit payments, including refunds of member contributions | $ (652,218) | $ (721,855) | $ (670,376) | $ (655,401) | $ (618,847) | $ (549,461) | $ (697,697) | $ (606,841) | $ (459,746) | $ (469,043) |
| Administrative expenses | $ (18,038) | $ (17,051) | $ (15,142) | $ (13,257) | $ (13,374) | $ (12,383) | $ (12,458) | $ (12,262) | $ (11,002) | $ (10,003) |
| Other | $ - | $ - | $ - | $ - | $ - | $ (3,271) | $ 365,766 | $ 45,285 | $ - | $ - |
| Net change in fiduciary net position | $ 1,734,780 | $ 1,226,932 | $ 749,201 | $ 538,959 | $ (516,180) | $ 3,209,017 | $ 202,082 | $ 492,201 | $ 859,596 | $ 1,089,564 |
| Plan fiduciary net position, beginning | $ 18,658,033 | $ 17,431,101 | $ 16,681,900 | $ 16,142,941 | $ 16,659,121 | $ 13,450,104 | $ 13,248,022 | $ 12,755,821 | $ 11,896,225 | $ 10,806,661 |
| Plan fiduciary net position, ending (b) | $ 20,392,813 | $ 18,658,033 | $ 17,431,101 | $ 16,681,900 | $ 16,142,941 | $ 16,659,121 | $ 13,450,104 | $ 13,248,022 | $ 12,755,821 | $ 11,896,225 |
| Plan's net pension asset ending (a)-(b) | $ (6,124,278) | $ (5,295,986) | $ (5,860,040) | $ (5,275,723) | $ (5,165,659) | $ (5,980,650) | $ (3,721,415) | $ (4,181,258) | $ (4,195,871) | $ (3,732,915) |
| Plan fiduciary net position as a percentage of the total pension liability | 142.92% | 139.63% | 150.64% | 146.25% | 147.06% | 156.01% | 138.25% | 146.12% | 149.02% | 145.73% |
| Covered payroll | $ 5,548,500 | $ 4,662,018 | $ 3,056,745 | $ 2,962,483 | $ 2,801,166 | $ 2,802,145 | $ 2,814,060 | $ 2,659,749 | $ 2,710,694 | $ 2,651,195 |
| Plan net pension liability as a percentage of covered payroll | (110.38)% | (113.60)% | (191.71)% | (178.08)% | (184.41)% | (213.43)% | (132.24)% | (157.20)% | (154.79)% | (140.80)% |

See notes to historical pension and OPEB information.

See accompanying independent auditors' report.

**REQUIRED SUPPLEMENTAL SCHEDULE**

**SCHEDULE OF HISTORICAL PENSION INFORMATION**
**PLD CONSOLIDATED PLAN**

**June 30, 2026**
**(UNAUDITED)**

**SCHEDULE OF CHANGES IN THE PLAN'S NET PENSION LIABILITY AND RELATED RATIOS**
**LAST TEN FISCAL YEARS**

| | 2026 | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Total pension liability** | | | | | | | | | | |
| Service cost | $ 142,575,695 | $ 129,547,572 | $ 118,728,433 | $ 104,583,699 | $ 93,851,265 | $ 86,845,610 | $ 82,715,056 | $ 78,317,217 | $ 76,190,510 | $ 76,271,766 |
| Interest | $ 304,119,431 | $ 287,607,001 | $ 267,399,602 | $ 256,376,007 | $ 241,612,217 | $ 229,954,447 | $ 219,752,007 | $ 208,360,684 | $ 207,492,397 | $ 198,972,490 |
| Changes of benefit terms | $ 3,035,746 | $ - | $ 863,779 | $ 20,744,234 | $ 16,214,107 | $ - | $ 29,759,516 | $ - | $ (106,123,366) | $ - |
| Differences between expected and actual experience | $ 143,895,272 | $ 74,953,642 | $ 150,622,559 | $ 51,680,563 | $ 67,455,268 | $ 13,300,796 | $ (6,552,650) | $ 47,684,163 | $ 1,285,303 | $ (2,160,603) |
| Changes of assumptions | $ 19,231,718 | $ - | $ - | $ - | $ - | $ 161,866,111 | $ - | $ - | $ 46,439,540 | $ - |
| Benefit payments, including refunds of member contributions | $ (253,932,553) | $ (238,266,705) | $ (225,200,272) | $ (211,144,592) | $ (194,576,381) | $ (182,691,917) | $ (174,752,167) | $ (165,399,679) | $ (152,087,885) | $ (146,163,566) |
| Net change in total pension liability | $ 358,925,309 | $ 253,841,510 | $ 312,414,101 | $ 222,239,911 | $ 224,556,476 | $ 309,275,047 | $ 150,921,762 | $ 168,962,385 | $ 73,196,499 | $ 126,920,087 |
| Total pension liability, beginning | $ 4,732,068,412 | $ 4,478,226,902 | $ 4,165,812,801 | $ 3,943,572,890 | $ 3,719,016,414 | $ 3,409,741,367 | $ 3,258,819,605 | $ 3,089,857,220 | $ 3,016,660,721 | $ 2,889,740,634 |
| Total pension liability, ending (a) | $ 5,090,993,721 | $ 4,732,068,412 | $ 4,478,226,902 | $ 4,165,812,801 | $ 3,943,572,890 | $ 3,719,016,414 | $ 3,409,741,367 | $ 3,258,819,605 | $ 3,089,857,220 | $ 3,016,660,721 |
| **Plan fiduciary net position** | | | | | | | | | | |
| Contributions - member | $ 85,702,976 | $ 77,555,995 | $ 72,650,710 | $ 65,716,199 | $ 65,104,304 | $ 53,621,126 | $ 54,090,045 | $ 54,927,202 | $ 48,050,202 | $ 46,080,851 |
| Contributions - employer | $ 119,324,164 | $ 107,992,691 | $ 98,715,699 | $ 92,595,758 | $ 78,887,165 | $ 68,506,485 | $ 66,717,733 | $ 61,487,037 | $ 56,092,662 | $ 51,387,011 |
| Net investment income (loss) | $ 505,434,492 | $ 380,470,211 | $ 288,525,441 | $ 224,685,095 | $ (19,908,035) | $ 802,368,797 | $ 88,330,927 | $ 188,620,106 | $ 259,699,519 | $ 299,780,948 |
| Benefit payments, including refunds of member contributions | $ (253,932,553) | $ (238,266,705) | $ (225,200,272) | $ (211,144,591) | $ (194,576,381) | $ (182,691,917) | $ (174,752,167) | $ (165,399,679) | $ (152,087,885) | $ (146,163,566) |
| Administrative expenses | $ (4,255,919) | $ (3,990,802) | $ (3,491,661) | $ (3,020,237) | $ (3,011,451) | $ (2,773,340) | $ (2,797,728) | $ (2,706,977) | $ (2,411,666) | $ (2,209,324) |
| Other | $ (348,165) | $ (284,900) | $ 57,992 | $ 147,934 | $ 89,325 | $ (306,895) | $ 27,683,461 | $ 48,552 | $ (386,621) | $ (62,201) |
| Net change in fiduciary net position | $ 451,924,995 | $ 323,476,490 | $ 231,257,909 | $ 168,980,158 | $ (73,415,073) | $ 738,724,256 | $ 59,272,271 | $ 136,976,241 | $ 208,956,211 | $ 248,813,719 |
| Plan fiduciary net position, beginning | $ 4,401,452,107 | $ 4,077,975,617 | $ 3,846,717,708 | $ 3,677,737,550 | $ 3,751,152,623 | $ 3,012,428,367 | $ 2,953,156,096 | $ 2,816,179,855 | $ 2,607,223,644 | $ 2,358,409,925 |
| Plan fiduciary net position, ending (b) | $ 4,853,377,102 | $ 4,401,452,107 | $ 4,077,975,617 | $ 3,846,717,708 | $ 3,677,737,550 | $ 3,751,152,623 | $ 3,012,428,367 | $ 2,953,156,096 | $ 2,816,179,855 | $ 2,607,223,644 |
| Plan's net pension (asset) liability, ending (a)-(b) | $ 237,616,619 | $ 330,616,305 | $ 400,251,285 | $ 319,095,093 | $ 265,835,340 | $ (32,136,209) | $ 397,313,000 | $ 305,663,509 | $ 273,677,365 | $ 409,437,077 |
| Plan fiduciary net position as a percentage of the total pension liability | 95.33% | 93.01% | 91.06% | 92.34% | 93.26% | 100.86% | 88.35% | 90.62% | 91.14% | 86.43% |
| Covered payroll | $ 1,062,631,304 | $ 990,758,633 | $ 914,034,250 | $ 857,368,130 | $ 744,218,538 | $ 646,287,594 | $ 641,523,784 | $ 593,884,355 | $ 561,126,768 | $ 542,572,528 |
| Plan net pension (asset) liability as a percentage of covered payrol | 22.36% | 33.37% | 43.79% | 37.22% | 35.72% | (4.97)% | 61.93% | 51.47% | 48.77% | 75.46% |

See notes to historical pension and OPEB information.

See accompanying independent auditors' report.

**MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM**
(A Component Unit of the State of Maine)

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF HISTORICAL PENSION INFORMATION
STATE EMPLOYEE AND TEACHER PLAN

June 30, 2026
(UNAUDITED)

SCHEDULE OF EMPLOYER CONTRIBUTIONS
*Last Ten Fiscal Years*

| Contribution Type | 2026 | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|---|---|---|---|---|---|
| Actuarially Determined Contribution | $538,439,088 | $512,707,452 | $484,672,270 | $458,177,786 | $438,298,297 | $418,558,583 | $399,775,788 | $350,583,375 | $340,376,744 | $312,736,906 |
| Contributions in Relation to the Actuarially Determined Contribution | $538,439,088 | $512,707,452 | $484,672,270 | $458,177,786 | $438,298,297 | $418,558,583 | $399,775,788 | $350,583,375 | $340,376,744 | $312,736,906 |
| Contribution Deficiency (Excess) | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Covered Payroll | $2,725,187,073 | $2,571,039,099 | $2,437,075,004 | $2,312,413,537 | $2,221,410,193 | $2,096,365,332 | $2,003,075,813 | $1,924,006,618 | $1,865,849,388 | $1,860,230,663 |
| Contributions as a Percentage of Covered Payroll | 19.76% | 19.94% | 19.89% | 19.81% | 19.73% | 19.97% | 19.96% | 18.22% | 18.24% | 16.81% |

See notes to historical pension and OPEB information.

See accompanying independent auditor's report.

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**MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM**
(A Component Unit of the State of Maine)

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF HISTORICAL PENSION INFORMATION
JUDICIAL PLAN

June 30, 2026
(UNAUDITED)

SCHEDULE OF EMPLOYER CONTRIBUTIONS
*Last Ten Fiscal Years*

| Contribution Type | 2026 | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|---|---|---|---|---|---|
| Actuarially Determined Contribution | $310,133 | $425,640 | $400,898 | $601,756 | $594,305 | $738,939 | $715,963 | $1,212,666 | $1,179,328 | $1,144,445 |
| Contributions in Relation to the Actuarially Determined Contribution | $310,133 | $425,640 | $400,898 | $601,756 | $594,305 | $738,939 | $715,963 | $1,212,666 | $1,179,328 | $1,144,445 |
| Contribution Deficiency (Excess) | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Covered Payroll | $11,036,762 | $10,256,386 | $9,567,971 | $8,658,366 | $8,502,222 | $8,312,022 | $8,053,577 | $8,116,908 | $7,893,762 | $7,639,818 |
| Contributions as a Percentage of Covered Payroll | 2.81% | 4.15% | 4.19% | 6.95% | 6.99% | 8.89% | 8.89% | 14.99% | 14.94% | 14.98% |

See notes to historical pension and OPEB information.

See accompanying independent auditor's report.

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**MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM**
(A Component Unit of the State of Maine)

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF HISTORICAL PENSION INFORMATION
LEGISLATIVE PLAN

June 30, 2026
(UNAUDITED)

SCHEDULE OF EMPLOYER CONTRIBUTIONS
*Last Ten Fiscal Years*

| Contribution Type | 2026 | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|---|---|---|---|---|---|
| Actuarially Determined Contribution | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Contributions in Relation to the Actuarially Determined Contribution | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Contribution Deficiency (Excess) | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Covered Payroll | $5,548,500 | $4,662,018 | $3,056,745 | $2,962,483 | $2,801,166 | $2,802,145 | $2,814,060 | $2,659,749 | $2,710,694 | $2,651,195 |
| Contributions as a Percentage of Covered Payroll | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |

See notes to historical pension and OPEB information.

See accompanying independent auditor's report.

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**MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM**
(A Component Unit of the State of Maine)

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF HISTORICAL PENSION INFORMATION
PLD CONSOLIDATED PLAN

June 30, 2026
(UNAUDITED)

SCHEDULE OF EMPLOYER CONTRIBUTIONS
*Last Ten Fiscal Years*

| Contribution Type | 2026 | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|---|---|---|---|---|---|
| Actuarially Determined Contribution | $119,324,164 | $107,992,691 | $98,715,699 | $92,595,758 | $78,887,165 | $68,506,485 | $66,717,733 | $61,170,089 | $55,551,550 | $51,387,011 |
| Contributions in Relation to the Actuarially Determined Contribution | $119,324,164 | $107,992,691 | $98,715,699 | $92,595,758 | $78,887,165 | $68,506,485 | $66,717,733 | $61,170,089 | $55,551,550 | $51,387,011 |
| Contribution Deficiency (Excess) | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Covered Payroll | $1,062,631,304 | $990,758,633 | $914,034,250 | $857,368,130 | $744,218,538 | $646,287,594 | $641,523,784 | $593,884,355 | $561,126,768 | $542,572,528 |
| Contributions as a Percentage of Covered Payroll | 11.23% | 10.90% | 10.80% | 10.80% | 10.60% | 10.60% | 10.40% | 10.30% | 9.90% | 9.47% |

See notes to historical pension and OPEB information.

See accompanying independent auditor's report.

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**MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM**
(A Component Unit of the State of Maine)

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF HISTORICAL PENSION INFORMATION
ALL DEFINED BENEFIT PLANS

June 30, 2026
(UNAUDITED)

SCHEDULE OF INVESTMENT RETURNS
*Last Ten Fiscal Years*

| Investment Returns | 2026 | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|---|---|---|---|---|---|
| Annual Money Weighted Rate of Return, Net of Investment Expenses | 11.60% | 5.54% | 8.00% | 4.70% | 3.40% | 26.50% | 1.80% | 7.08% | 10.30% | 12.48% |

See notes to historical pension and OPEB information.

See accompanying independent auditor's report.

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**REQUIRED SUPPLEMENTAL SCHEDULES**

**SCHEDULE OF HISTORICAL OPEB INFORMATION**
**STATE EMPLOYEE AND TEACHER PLAN**

**June 30, 2026**
**(UNAUDITED)**

**SCHEDULE OF CHANGES IN THE PLAN'S NET OPEB LIABILITY AND RELATED RATIOS**
*Last Ten Fiscal Years**

| | 2026 | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Total OPEB liability** | | | | | | | | | | |
| Service cost | $ 3,196,490 | $ 3,110,939 | $ 2,934,493 | $ 2,855,954 | $ 2,756,810 | $ 2,683,027 | $ 2,190,471 | $ 2,131,845 | $ 2,122,079 | $ 2,065,283 |
| Interest | $ 18,336,594 | $ 16,023,722 | $ 16,240,766 | $ 15,218,725 | $ 15,240,012 | $ 13,846,827 | $ 14,274,714 | $ 13,155,332 | $ 12,531,082 | $ 12,014,739 |
| Changes of benefit terms | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Differences between expected and actual experience | $ 10,963,140 | $ - | $ (10,415,324) | $ - | $ 365,044 | $ - | $ 589,478 | $ - | $ 1,957,220 | $ - |
| Changes of assumptions | $ 6,497,803 | $ - | $ 1,753,836 | $ - | $ - | $ 291,076 | $ - | $ - | $ 3,199,639 | $ - |
| Benefit payments, including refunds of member contributions | $ (11,486,571) | $ (10,814,047) | $ (7,234,173) | $ (7,684,604) | $ (6,817,681) | $ (6,613,935) | $ (8,177,754) | $ (7,118,082) | $ (7,269,810) | $ (6,003,967) |
| Net change in total OPEB liability | $ 27,507,456 | $ 8,320,614 | $ 3,279,598 | $ 10,390,075 | $ 11,544,185 | $ 10,206,995 | $ 8,876,909 | $ 8,169,095 | $ 12,540,210 | $ 8,076,055 |
| Total OPEB liability, beginning | $ 257,050,374 | $ 248,729,760 | $ 245,450,162 | $ 235,060,087 | $ 223,515,902 | $ 213,308,907 | $ 204,431,998 | $ 196,262,903 | $ 183,722,693 | $ 175,646,638 |
| Total OPEB liability, ending (a) | $ 284,557,830 | $ 257,050,374 | $ 248,729,760 | $ 245,450,162 | $ 235,060,087 | $ 223,515,902 | $ 213,308,907 | $ 204,431,998 | $ 196,262,903 | $ 183,722,693 |
| **Plan fiduciary net position for retirees** | | | | | | | | | | |
| Contributions - member | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Contributions - employer | $ 13,798,092 | $ 12,910,708 | $ 12,163,030 | $ 11,053,496 | $ 10,584,751 | $ 9,866,578 | $ 9,310,849 | $ 7,756,442 | $ 7,638,453 | $ 6,921,228 |
| Net investment income | $ 34,795,512 | $ 22,076,746 | $ 20,682,541 | $ 14,263,865 | $ (20,387,369) | $ 32,552,180 | $ 4,885,544 | $ 6,418,113 | $ 7,804,839 | $ 9,885,897 |
| Benefit payments, including refunds of member contributions | $ (11,486,571) | $ (10,814,047) | $ (7,234,173) | $ (7,684,604) | $ (6,817,681) | $ (6,613,935) | $ (8,177,754) | $ (7,118,082) | $ (7,269,810) | $ (6,003,967) |
| Administrative expenses | $ (1,032,387) | $ (1,053,775) | $ (972,819) | $ (951,015) | $ (824,527) | $ (821,718) | $ (1,018,932) | $ (726,320) | $ (769,717) | $ (1,335,745) |
| Other | | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Net change in fiduciary net position for retirees | $ 36,074,646 | $ 23,119,632 | $ 24,638,579 | $ 16,681,742 | $ (17,444,826) | $ 34,983,105 | $ 4,999,707 | $ 6,330,153 | $ 7,403,765 | $ 9,467,413 |
| Plan fiduciary net position for retirees, beginning | $ 187,594,721 | $ 164,475,089 | $ 139,836,510 | $ 123,154,768 | $ 140,599,594 | $ 105,616,489 | $ 100,616,782 | $ 94,286,629 | $ 86,882,864 | $ 77,415,451 |
| Plan fiduciary net position for retirees, ending (b) | $ 223,669,367 | $ 187,594,721 | $ 164,475,089 | $ 139,836,510 | $ 123,154,768 | $ 140,599,594 | $ 105,616,489 | $ 100,616,782 | $ 94,286,629 | $ 86,882,864 |
| Net OPEB liability, ending (a)-(b) | $ 60,888,463 | $ 69,455,653 | $ 84,254,671 | $ 105,613,652 | $ 111,905,319 | $ 82,916,308 | $ 107,692,418 | $ 103,815,216 | $ 101,976,274 | $ 96,839,829 |
| Plan fiduciary net position for retirees as a percentage of the total OPEB liability | 78.60% | 72.98% | 66.13% | 56.97% | 52.39% | 62.90% | 49.51% | 49.22% | 48.04% | 47.29% |
| Covered payroll | $ 1,940,739,300 | $ 1,782,494,670 | $ 1,734,788,000 | $ 1,644,477,452 | $ 1,600,464,673 | $ 1,525,192,949 | $ 1,484,372,700 | $ 1,380,619,384 | $ 1,343,668,500 | $ 1,277,009,000 |
| Net OPEB liability as a percentage of covered payroll | 3.14% | 3.90% | 4.86% | 6.42% | 6.99% | 5.44% | 7.26% | 7.52% | 7.59% | 7.58% |

See notes to historical pension and OPEB information.

* This information will be presented each year until 10 years of such information is available.

See accompanying independent auditors' report.

**REQUIRED SUPPLEMENTAL SCHEDULES**

**SCHEDULE OF HISTORICAL OPEB INFORMATION**
**PLD CONSOLIDATED PLAN**

**June 30, 2026**
**(UNAUDITED)**

## SCHEDULE OF CHANGES IN THE PLAN'S NET OPEB LIABILITY AND RELATED RATIOS

*Last Ten Fiscal Years**

| | 2026 | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Total OPEB liability** | | | | | | | | | | |
| Service cost | $ 424,575 | $ 351,657 | $ 351,657 | $ 308,456 | $ 308,456 | $ 309,875 | $ 522,353 | $ 488,545 | $ 442,863 | $ 619,735 |
| Interest | $ 2,494,268 | $ 2,218,325 | $ 2,231,071 | $ 2,109,659 | $ 2,121,985 | $ 1,962,386 | $ 1,941,994 | $ 1,832,881 | $ 1,706,200 | $ 1,616,253 |
| Changes of benefit terms | $ - | $ - | $ (259,297) | $ - | $ - | $ - | $ (636,731) | $ - | $ - | $ - |
| Differences between expected and actual experience | $ 2,495,302 | $ - | $ (697,751) | $ - | $ (149,516) | $ - | $ 727,053 | $ - | $ 2,045,678 | $ - |
| Changes of assumptions | $ 465,727 | $ - | $ 98,188 | $ - | $ - | $ 906,229 | $ (9,045,090) | $ 893,851 | $ 1,554,074 | $ (5,591,242) |
| Benefit payments, including refunds of member contributions | $ (2,407,139) | $ (1,350,201) | $ (1,151,257) | $ (1,373,721) | $ (988,402) | $ (1,223,890) | $ (1,589,460) | $ (1,581,540) | $ (1,530,346) | $ (1,394,586) |
| Net change in total OPEB liability | $ 3,472,733 | $ 1,219,781 | $ 572,611 | $ 1,044,394 | $ 1,292,523 | $ 1,954,600 | $ (8,079,881) | $ 1,633,737 | $ 4,218,469 | $ (4,749,840) |
| Total OPEB liability, beginning | $ 35,660,670 | $ 34,440,889 | $ 33,868,278 | $ 32,823,884 | $ 31,531,361 | $ 29,576,761 | $ 37,656,642 | $ 36,022,905 | $ 31,804,436 | $ 36,554,276 |
| Total OPEB liability, ending (a) | $ 39,133,403 | $ 35,660,670 | $ 34,440,889 | $ 33,868,278 | $ 32,823,884 | $ 31,531,361 | $ 29,576,761 | $ 37,656,642 | $ 36,022,905 | $ 31,804,436 |
| **Plan fiduciary net position for retirees** | | | | | | | | | | |
| Contributions - member | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Contributions - employer | $ 1,712,115 | $ 1,664,074 | $ 1,497,755 | $ 1,332,464 | $ 1,277,664 | $ 1,186,563 | $ 1,127,014 | $ 1,100,509 | $ 1,069,640 | $ 1,037,124 |
| Net investment income | $ 4,863,512 | $ 3,128,916 | $ 2,949,268 | $ 2,065,791 | $ (3,031,547) | $ 4,987,761 | $ 752,517 | $ 1,037,784 | $ 1,333,324 | $ 1,738,914 |
| Benefit payments, including refunds of member contributions | $ (2,407,139) | $ (1,350,201) | $ (1,151,257) | $ (1,373,721) | $ (988,402) | $ (1,223,890) | $ (1,589,460) | $ (1,581,540) | $ (1,530,346) | $ (1,394,586) |
| Administrative expenses | $ (146,782) | $ (149,785) | $ (140,692) | $ (141,629) | $ (124,368) | $ (127,631) | $ (164,654) | $ (119,519) | $ (133,624) | $ (238,856) |
| Other | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Net change in fiduciary net position for retirees | $ 4,021,706 | $ 3,293,004 | $ 3,155,074 | $ 1,882,905 | $ (2,866,653) | $ 4,822,803 | $ 125,417 | $ 437,234 | $ 738,994 | $ 1,142,596 |
| Plan fiduciary net position for retirees, beginning | $ 26,671,712 | $ 23,378,708 | $ 20,223,634 | $ 18,340,729 | $ 21,207,382 | $ 16,384,579 | $ 16,259,162 | $ 15,821,928 | $ 15,082,934 | $ 13,940,338 |
| Plan fiduciary net position for retirees, ending (b) | $ 30,693,418 | $ 26,671,712 | $ 23,378,708 | $ 20,223,634 | $ 18,340,729 | $ 21,207,382 | $ 16,384,579 | $ 16,259,162 | $ 15,821,928 | $ 15,082,934 |
| Net OPEB liability, ending (a)-(b) | $ 8,439,985 | $ 8,988,958 | $ 11,062,181 | $ 13,644,644 | $ 14,483,155 | $ 10,323,979 | $ 13,192,182 | $ 21,397,480 | $ 20,200,977 | $ 16,721,502 |
| Plan fiduciary net position for retirees as a percentage of the total OPEB liability | 78.43% | 74.79% | 67.88% | 59.71% | 55.88% | 67.26% | 55.40% | 43.18% | 43.92% | 47.42% |
| Covered payroll | $ 387,195,000 | $ 349,317,120 | $ 339,968,000 | $ 309,318,600 | $ 301,040,000 | $ 299,768,500 | $ 291,745,500 | $ 283,884,893 | $ 276,287,000 | $ 260,552,680 |
| Net OPEB liability as a percentage of covered payroll | 2.18% | 2.57% | 3.25% | 4.41% | 4.81% | 3.44% | 4.52% | 7.54% | 7.31% | 6.42% |

See notes to historical pension and OPEB information.

* This information will be presented each year until 10 years of such information is available.

See accompanying independent auditors' report.

**MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM**
(A Component Unit of the State of Maine)

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF HISTORICAL OPEB INFORMATION
STATE EMPLOYEE AND TEACHER PLAN

June 30, 2026
(UNAUDITED)

SCHEDULE OF EMPLOYER CONTRIBUTIONS
*Last Ten Fiscal Years*

| Contribution Type | 2026 | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|---|---|---|---|---|---|
| Actuarially Determined Contribution | $13,998,898 | $13,415,735 | $13,056,677 | $11,593,184 | $11,242,005 | $10,964,907 | $10,671,443 | $9,040,284 | $8,805,704 | $8,239,903 |
| Contributions in Relation to the Actuarially Determined Contribution | $13,798,092 | $12,910,708 | $12,163,030 | $11,053,496 | $10,584,751 | $9,866,578 | $9,310,849 | $7,756,442 | $7,638,453 | $6,921,228 |
| Contribution Deficiency (Excess) | $200,806 | $505,027 | $893,647 | $539,688 | $657,254 | $1,098,329 | $1,360,594 | $1,283,842 | $1,167,251 | $1,318,675 |
| Covered Payroll | $1,940,739,300 | $1,782,494,670 | $1,734,788,000 | $1,644,477,452 | $1,600,464,673 | $1,525,192,949 | $1,484,372,700 | $1,380,619,384 | $1,343,668,500 | $1,277,009,000 |
| Contributions as a Percentage of Covered Payroll | 0.71% | 0.72% | 0.70% | 0.67% | 0.66% | 0.65% | 0.63% | 0.56% | 0.57% | 0.54% |

See notes to historical pension and OPEB information.

See accompanying independent auditor's report.

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**MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM**
(A Component Unit of the State of Maine)

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF HISTORICAL OPEB INFORMATION
PLD CONSOLIDATED PLAN

June 30, 2026
(UNAUDITED)

SCHEDULE OF EMPLOYER CONTRIBUTIONS
*Last Ten Fiscal Years*

| Contribution Type | 2026 | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|---|---|---|---|---|---|
| Actuarially Determined Contribution | $1,821,472 | $1,984,731 | $1,931,612 | $1,996,217 | $1,942,791 | $1,586,809 | $1,544,340 | $1,287,098 | $1,252,650 | $1,146,324 |
| Contributions in Relation to the Actuarially Determined Contribution | $1,712,115 | $1,664,074 | $1,497,755 | $1,332,464 | $1,277,664 | $1,186,563 | $1,127,014 | $1,100,509 | $1,069,640 | $1,037,124 |
| Contribution Deficiency (Excess) | $109,357 | $320,657 | $433,857 | $663,753 | $665,127 | $400,246 | $417,326 | $186,589 | $183,010 | $109,200 |
| Covered Payroll | $387,195,000 | $349,317,120 | $339,968,000 | $309,318,600 | $301,040,000 | $299,768,500 | $291,745,500 | $283,884,893 | $276,287,000 | $260,552,680 |
| Contributions as a Percentage of Covered Payroll | 0.44% | 0.48% | 0.44% | 0.43% | 0.42% | 0.40% | 0.39% | 0.39% | 0.39% | 0.40% |

See notes to historical pension and OPEB information.

See accompanying independent auditor's report.

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**MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM**
(A Component Unit of the State of Maine)

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF HISTORICAL OPEB INFORMATION
ALL OPEB PLANS

June 30, 2026
(UNAUDITED)

SCHEDULE OF INVESTMENT RETURNS
*Last Ten Fiscal Years*

| Investment Returns | 2026 | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|---|---|---|---|---|---|
| Annual Money Weighted Rate of Return, Net of Investment Expenses | 18.20% | 13.10% | 14.20% | 11.00% | -14.10% | 30.60% | 6.00% | 6.60% | 9.00% | 12.88% |

See notes to historical pension and OPEB information.

See accompanying independent auditor's report.

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**MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM**
(A Component Unit of the State of Maine)

NOTES TO HISTORICAL PENSION AND OPEB INFORMATION

June 30, 2026
(UNAUDITED)

## 1. Basis of Presentation

The schedule of investment returns for pension plans applies to the State Employee and Teacher Plan, the Judicial Plan, the Legislative Plan, the PLD Consolidated Plan, and the PLD Agent Plans, as investments of these plans are commingled. Assets in the Group Life Insurance Plans, including assets to provide life insurance benefits to active employees, are commingled for investment purposes but separate from the pension plan assets.

## 2. Actuarial Methods and Assumptions – Defined Benefit Plans

The information in the historical pension information was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation date, June 30, 2026, is as follows:

*Actuarial Cost Method*

The Entry Age Normal actuarial funding method is used to determine costs. Under this funding method, the total employer contribution rate consists of two elements, the normal cost rate and the unfunded actuarial liability rate.

The individual entry age normal method is used to determine liabilities. Under the individual entry age normal method, a normal cost rate is calculated for each employee. This rate is determined by taking the value, as of age at entry into the plan, of the member's projected future benefits, and dividing it by the value, also as of the member's entry age, of the member's expected future salary. The normal cost for each employee is the product of the member's pay and normal cost rate. The normal cost for the group is the sum of the normal costs for all members.

Experience gains and losses, i.e., decreases or increases in liabilities and/or in assets when actual experience differs from the actuarial assumptions, affect the unfunded actuarial accrued liability.

*Asset Valuation Method*

An actuarial value of assets is used for determining employer contributions. The use of an actuarial value of assets for this purpose helps mitigate volatility in contribution rates that might otherwise occur due to fluctuations in market conditions. The specific technique adopted in this valuation recognizes in a given year one-third of the investment return that is different from the actuarial assumption for investment return.

*Amortization*

The net pension liability of the State Employee and Teacher Retirement Program is amortized on a level percentage of payroll over the amortization period then in effect under statutory and constitutional requirements (Note 6 to the Financial Statements). The net pension liabilities of the Legislative Plan and the Judicial Plan are amortized on a level percentage of payroll over open ten year periods.

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## 2. Actuarial Methods and Assumptions – Defined Benefit Plans (Concluded)

The net pension liability of the PLD Consolidated Plan is amortized on a level percentage of payroll using a method where a separate twenty-year closed period is established annually for the gain or loss for that year.

Significant actuarial assumptions employed by the actuary for funding purposes as of June 30 for each year indicated are as follows:

| | State Employee and Teacher Plan | Judicial Plan | Legislative Plan | PLD Consolidated Plan |
|---|---|---|---|---|
| Investment Rate of Return | Per annum, compounded annually: 6.50% for June 30, 2026, June 30, 2025, June 30, 2024, June 30, 2023, June 30, 2022 and June 30, 2021; 6.75% for June 30, 2020, June 30, 2019 and June 30, 2018; 6.875% for June 30, 2017 and June 30, 2016; 7.125% for June 30, 2015 | | | Per annum, compounded annually: 6.50% for June 30, 2026, June 30, 2025, June 30, 2024, June 30, 2023, June 30, 2022 and June 30, 2021; 6.75% for June 30, 2020, June 30, 2019 and June 30, 2018; 6.875% for June 30, 2017 and June 30, 2016; 7.125% for June 30, 2015 |
| Inflation Rate | 2.75% for June 30, 2026, June 30, 2025, June 30, 2024, June 30, 2023, June 30, 2022, June 30, 2021, June 30, 2020, June 30, 2019, June 30, 2018, June 30, 2017, and June 30, 2016; 3.50% for June 30, 2015 | | | |
| Annual Salary Increases, Including Inflation | For the period ended June 30, 2026 | | | |
| | State employees, 3.26% - 11.74%; Teachers, 2.75% - 14.31% | 3.00% | 2.75% | 2.75% - 12.51% |
| | For the periods ended June 30, 2025, June 30, 2024, June 30, 2023, June 30, 2022 and June 30, 2021 | | | |
| | State employees, 3.26% - 9.43%; Teachers, 2.80% - 13.03% | 2.75% | 2.75% | 2.75% - 11.48% |
| | For the periods ended June 30, 2020; June 30, 2019; June 30, 2018; June 30, 2017; and June 30, 2016: | | | |
| | State employees, 2.75% - 8.75%; Teachers, 2.75% - 14.50% | 2.75% | 2.75% | 2.75% - 9.00% |
| | For the period ended June 30, 2015 | | | |
| | State employees, 3.50% - 10.50%; Teachers, 3.50% - 13.50% | 3.50% | 3.50% | 3.50% - 9.50% |
| Cost of Living Benefit Increases | 2.20% for June 30, 2026, June 30, 2025, June 30, 2024, June 30, 2023, June 30, 2022, June 30, 2021, June 30, 2020, June 30, 2019, June 30, 2018, June 30, 2017 and June 30, 2016; 2.55% for June 30, 2015 | | | 1.91% for June 30, 2026, June 30, 2025, June 30, 2024, June 30, 2023, June 30, 2022, June 30, 2021, June 30, 2020, June 30, 2019 and June 30, 2018; 2.20% for June 30, 2017 and June 30, 2016; 2.55% for June 30, 2015 |
| Mortality Rates | For the period ended June 30, 2026 | | | |
| | Based on the 2016 Public Plan General Benefits-Weighted Mortality Tables for males and females. | | | Based on the 2016 Public Plan General Benefits-Weighted Mortality Tables for males and females. |
| | For the periods ended June 30, 2025, June 30, 2024, June 30, 2023, June 30, 2022 and June 30, 2021 | | | |
| | State Employee, Judicial, and Legislative: based on the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, for males and females, projected generationally using the RPEC_2020 model. Teachers: based on the 2010 Public Plan Teacher Benefits-Weighted Healthy Retiree Mortality Table, for males and females, projected generationally using the RPEC_2020 model. | | | Based on the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, for males and females, projected generationally using the RPEC_2020 model. |
| | For the periods ended June 30, 2020; June 30, 2019; June 30, 2018; June 30, 2017; and June 30, 2016: | | | |
| | For active members and non-disabled retirees of the State employees and teachers, legislative, judicial, and PLD plans, the RP2014 Total Dataset Healthy Annuitant Mortality Table, for males and females, is used. For all recipients of disability benefits, the RP2014 Total Dataset Disabled Annuitant Mortality Table, for males and females, is used. | | | |
| | For the period ended June 30, 2015 | | | |
| | For active members and non-disabled retirees of the State employees and teachers, legislative, judicial, and PLD plans, the RP2000 Tables projected forward to 2015 using Scale AA are used; the ages are set back two years for employees of the teacher plan. Mortality assumptions were also reviewed and updated in 2011 for the PLD Consolidated Plan, and in 2012 for the other Plans, based on actual demographic data of the Plans. For all recipients of disability benefits, the Revenue Ruling 96-7 Disabled Mortality Table for Males and Females is used. | | | |

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## 3. Actuarial Methods and Assumptions – Group Life Insurance Plans

The information in the historical Group Life Insurance Plan information was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation date, June 30, 2026, is as follows:

*Actuarial Cost Method*

The individual entry age normal method is used to determine liabilities. Under the individual entry age normal method, a normal cost rate is calculated for each employee. This rate is determined by taking the value, as of age at entry into the plan, of the member's projected future benefits, and dividing it by the value, also as of the member's entry age, of the member's expected future salary. The normal cost for each employee is the product of the member's pay and normal cost rate. The normal cost for the group is the sum of the normal costs for all members.

The actuarial accrued liability is defined as the present value of future benefits less the present value of future normal cost contributions. The unfunded actuarial accrued liability is the total of the actuarial liability for all members less the actuarial value of the System's assets.

Experience gains and losses, i.e., decreases or increases in liabilities and/or in assets when actual experience differs from the actuarial assumptions, affect the unfunded actuarial accrued liability.

*Asset Valuation Method*

Asset amounts are taken as reported to the actuaries by the System without audit or change, except that State of Maine assets are allocated to State, Legislators, and Judges based on total actuarial liability.

*Amortization*

The unfunded actuarial accrued liability is being amortized as a level percentage of payroll over a 30-year period on a closed basis. As of June 30, 2026, there were 13 years remaining in the amortization schedule for state employees and teachers, and 6 years remaining for PLD employees.

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## 3. Actuarial Methods and Assumptions – Group Life Insurance Plan (Concluded)

Significant actuarial assumptions employed by the actuary for funding purposes as of June 30 for each year indicated are as follows:

| | State employees, including judges and legislators | Teachers | PLD employees |
|---|---|---|---|
| Investment Rate of Return | Per annum, compounded annually: | | |
| | 6.50% for June 30, 2026, June 30, 2025, June 30, 2024, June 30, 2023, June 30, 2022 and June 30, 2021; 6.75% for June 30, 2020, June 30, 2019 and June 30, 2018; 6.875% for June 30, 2017 | | 6.50% for June 30, 2026, June 30, 2025, June 30, 2024, June 30, 2023, June 30, 2022 and June 30, 2021; 6.75% for June 30, 2020; 4.98% for June 30, 2019; 5.13% for June 30, 2018; 5.41% for June 30, 2017 |
| Inflation Rate | 2.75% for June 30, 2026, June 30, 2025, June 30, 2024, June 30, 2023, June 30, 2022, June 30, 2021, June 30, 2020, June 30, 2019, June 30, 2018 and June 30, 2017 | | |
| Annual Salary Increases, Including Inflation | For June 30, 2026 | | |
| | State employees: 3.26% - 11.74%; Judges: 3.00%; Legislators: 2.75% | 2.75% - 14.31% | 4.03% - 12.51% |
| | For June 30, 2025, June 30, 2024, June 30, 2023, June 30, 2022 and June 30, 2021 | | |
| | State employees: 3.26% - 9.43%; Judges and Legislators: 2.75% | 2.80 - 13.03% | 2.75% - 11.48% |
| | For June 30, 2020, June 30, 2019, June 30, 2018 and June 30, 2017 | | |
| | 2.75% - 8.75% | 2.75% - 14.50% | 2.75% - 9.00% |
| Mortality Rates | For June 30, 2026 | | |
| | Based on the 2016 Public Plan General Benefits-Weighted Employee MortalityTable for males and females. | Based on the 2016 Public Plan Teacher Benefits-Weighted Employee MortalityTable for males and females. | Based on the 2016 Public Plan General Benefits-Weighted Employee MortalityTable for males and females. |
| | For June 30, 2025, June 30, 2024, June 30, 2023, June 30, 2022 and June 30, 2021 | | |
| | Based on the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, for males and females, projected generationally using the RPEC_2020 model. | Based on the 2010 Public Plan Teacher Benefits-Weighted Healthy Retiree Mortality Table, for males and females, projected generationally using the RPEC_2020 model. | Based on the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, for males and females, projected generationally using the RPEC_2020 model. |
| | For June 30, 2020, June 30, 2019, June 30, 2018 and June 30, 2017 | | |
| | For active members and non-disabled retirees of the State employees, legislative, judicial, and PLD plans, the RP2014 Total Dataset Healthy Annuitant Mortality Table, for males and females, is used. For all recipients of disability benefits, the RP2014 Total Dataset Disabled Annuitant Mortality Table, for males and females, is used. | | |
| Participation Rate for Future Retirees | 100% of those currently enrolled | | |
| Conversion Charges | Apply to the cost of active group life insurance, not retiree group life insurance | | |
| Form of Benefit Payment | Lump sum | | |

**MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM**
(A Component Unit of the State of Maine)

ADDITIONAL SUPPLEMENTARY INFORMATION

SCHEDULE OF INVESTMENT EXPENSES

For the Year Ended June 30, 2026

| Asset Class | State Employee Teacher Plan | Judicial Plan | Legislative Plan | PLD Consolidated Plan | PLD Agent Plan | Group Life Insurance Plan Actives | Group Life Insurance Plan Retired SET | Group Life Insurance Plan Retired PLD | Defined Contribution Plan | MainePERS OPEB Trust | Retiree Health Insurance Trust Fund | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Alternative Credit | $15,858,080 | $86,424 | $17,513 | $4,158,602 | $6,276 | $0 | $0 | $0 | $0 | $0 | $0 | $20,126,895 |
| Public Equity | $452,379 | $2,466 | $499 | $118,631 | $180 | $943 | $14,649 | $2,034 | $0 | $1,617 | $57,153 | $650,551 |
| Fixed Income | $262,456 | $1,431 | $290 | $68,826 | $104 | $399 | $6,205 | $861 | $0 | $693 | $24,667 | $365,932 |
| Private Equity | $31,373,623 | $170,978 | $34,648 | $8,227,375 | $12,419 | $0 | $0 | $0 | $0 | $0 | $0 | $39,819,043 |
| Real Assets | $36,421,495 | $198,488 | $40,221 | $9,551,116 | $14,414 | $0 | $0 | $0 | $0 | $0 | $0 | $46,225,734 |
| Risk Diversifier | $15,152,639 | $82,578 | $16,735 | $3,973,603 | $6,000 | $0 | $0 | $0 | $0 | $0 | $0 | $19,231,555 |
| Other Investment Expenses | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $69,773 | $0 | $0 | $69,773 |
| In-house Investment Management | $5,078,762 | $27,678 | $5,609 | $1,331,847 | $2,010 | $3,869 | $60,103 | $8,343 | $0 | $6,703 | $0 | $6,524,924 |
| Total Investment Expenses | $104,599,434 | $570,043 | $115,515 | $27,430,000 | $41,403 | $5,211 | $80,957 | $11,238 | $69,773 | $9,013 | $81,820 | $133,014,407 |

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**MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM**
(A Component Unit of the State of Maine)

ADDITIONAL SUPPLEMENTARY INFORMATION

SCHEDULE OF ADMINISTRATIVE EXPENSES

For the Year Ended June 30, 2026

| Expenses | State Employee Teacher Plan | Judicial Plan | Legislative Plan | PLD Consolidated Plan | PLD Agent Plan | Group Life Insurance Plan Actives | Group Life Insurance Plan Retired SET | Group Life Insurance Plan Retired PLD | Defined Contribution Plan | Retiree Health Insurance Trust Fund | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Personal Services | $11,363,733 | $62,425 | $12,553 | $2,962,036 | $4,656 | $39,891 | $718,521 | $102,155 | $209,351 | $3,800 | $15,479,121 |
| Professional Fees | $1,834,356 | $10,077 | $2,026 | $478,138 | $751 | $6,439 | $115,985 | $16,491 | $33,794 | $0 | $2,498,057 |
| Computer Services | $1,236,934 | $6,795 | $1,367 | $322,416 | $507 | $4,342 | $78,211 | $11,120 | $22,788 | $0 | $1,684,480 |
| Telephone, Data and Internet Services | $132,855 | $730 | $147 | $34,630 | $54 | $466 | $8,400 | $1,194 | $2,448 | $0 | $180,924 |
| Printing and Postage | $401,075 | $2,203 | $443 | $104,543 | $164 | $1,408 | $25,360 | $3,606 | $7,389 | $0 | $546,191 |
| Office Rent and Building Operations | $402,679 | $2,212 | $445 | $104,961 | $165 | $1,413 | $25,461 | $3,620 | $7,418 | $0 | $548,374 |
| Depreciation | $807,495 | $4,436 | $892 | $210,479 | $331 | $2,834 | $51,057 | $7,259 | $14,876 | $0 | $1,099,659 |
| Other Operating Expenses | $148,533 | $816 | $164 | $38,716 | $61 | $521 | $9,391 | $1,337 | $2,736 | $0 | $202,275 |
| Total Administrative Expenses | $16,327,660 | $89,694 | $18,037 | $4,255,919 | $6,689 | $57,314 | $1,032,386 | $146,782 | $300,800 | $3.800 | $22,239,081 |

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**MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM**
(A Component Unit of the State of Maine)

ADDITIONAL SUPPLEMENTARY INFORMATION

SCHEDULE OF PROFESSIONAL FEES

For the Year Ended June 30, 2026

| Professional Fees | Amounts |
|---|---|
| Audit* | $104,196 |
| Actuarial Services | $603,225 |
| IT Services | $760,887 |
| Legal Services | $117,487 |
| Medical Consulting and Expenses | $331,717 |
| Other Services | $580,545 |
| Total Professional Fees | $2,498,057 |

*Including outsourced internal audit services.

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# Auditor Communications to Those Charged with Governance

## 2026 Executive Summary

October 8, 2026

BDMP Assurance, LLP
Berry, Dunn, McNeil & Parker, LLC

# Independent Auditor's Report

## Management's Responsibility

- The preparation and fair presentation of the financial statements
- Design, implementation and maintenance of internal control over financial reporting
- Selection and use of appropriate accounting policies

# Independent Auditor's Report

## Our Responsibility

To express an opinion on the financial statements in accordance with U.S. generally accepted auditing standards (U.S. GAAS) and *Government Auditing Standards*

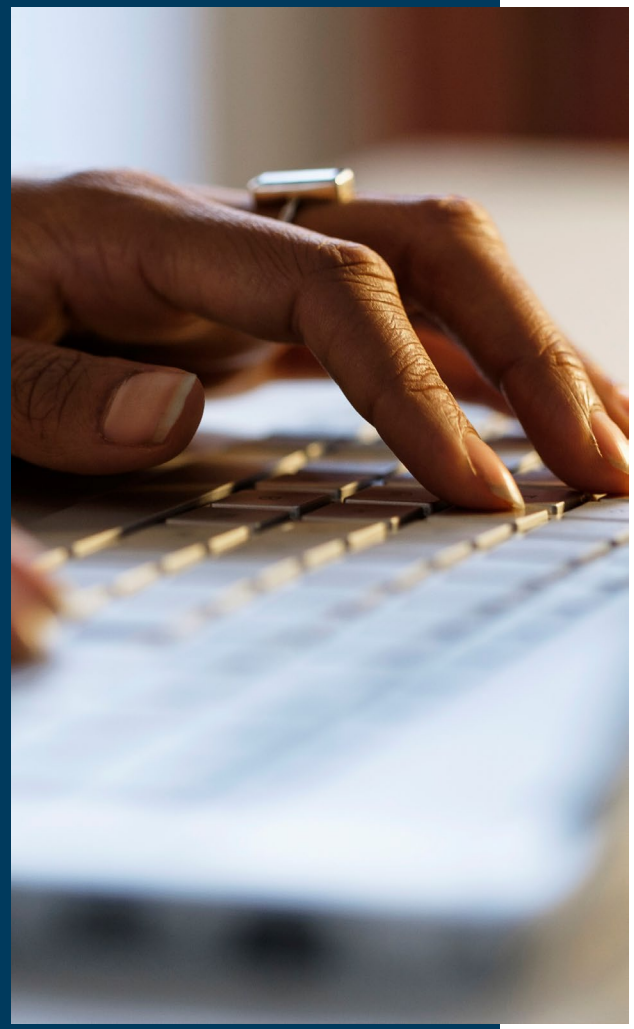
Designed to obtain reasonable assurance that the financial statements are free from material misstatement

Examine on a test basis, evidence supporting amounts and disclosures in the financial statements

Select audit procedures, based on our assessment of the risk of material misstatement

Obtain an understanding of internal control relevant to the audit in order to design audit procedures appropriate under the circumstances

**UNMODIFIED OPINION on the financial statements**



# Independent Auditor's Report

# Supplementary Information

## Required Supplementary Information

- Presented as a supplement to the basic financial statements as required by the Governmental Accounting Standards Board
- We have applied certain limited procedures to this required supplementary information in accordance with U.S. GAAS
- We do not express an opinion or provide assurance on it

## Additional Supplementary Information

- The additional supplementary information was subjected to the auditing procedures applied in the audit of the basic financial statements
- The additional supplementary information is fairly stated, in all material respects, in relation to the financial statements

## Other Information

- We do not express an opinion or provide any assurance on the other information

# Supplementary Information

## Required Supplementary Information

- Management's Discussion and Analysis
- Schedules of Historical Pension Information
- Schedules of Historical OPEB Information
- Notes to Historical Pension and OPEB Information

## Additional Supplementary Information

- Schedule of Investment Expenses
- Schedule of Administrative Expenses
- Schedule of Professional Fees

## Other Information

- Introductory Section
- Investment Section
- Actuarial Section
- Statistical Section

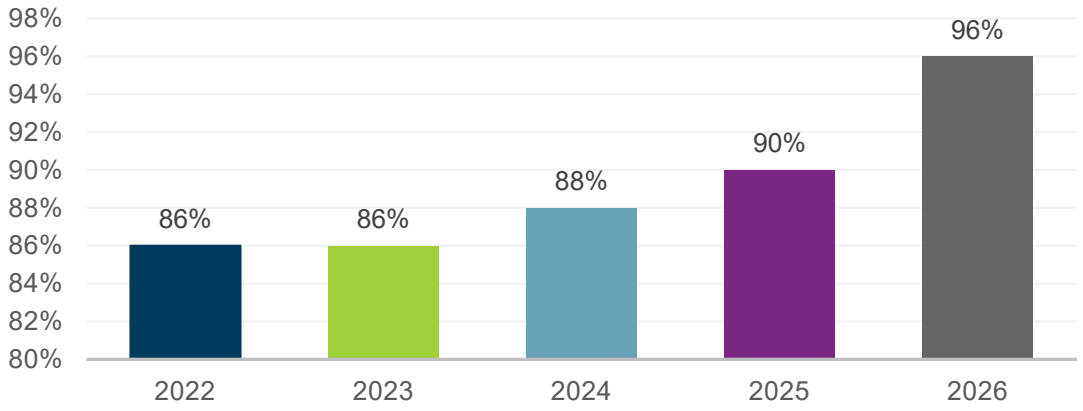
# Key Financial Information

## Plan Highlights (in millions)

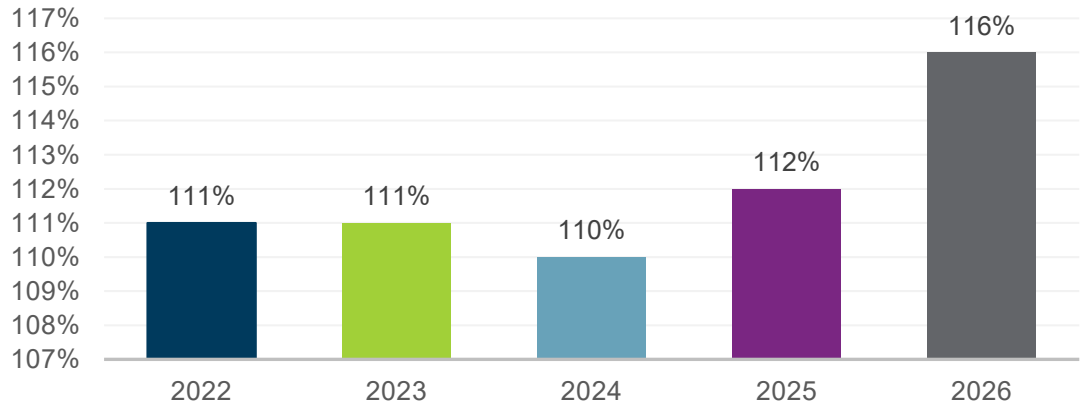
| | 2026 | 2025 | 2024 |
|---|---|---|---|
| Fiduciary Net Position (FNP) at End of Year | $24,863 | $22,467 | $20,899 |
| Net Investment Income | 2,639 | 1,983 | 1,526 |
| Total Contributions | 1,199 | 962 | 892 |
| Benefit Payments | (1,374) | (1,312) | (1,315) |
| Administrative Expenses and Transfers | (24) | (25) | (21) |
| Net Increase in FNP | $2,397 | $1,567 | $1,083 |

# Key Financial Information – Pension Plans – FNP as a % of TPL

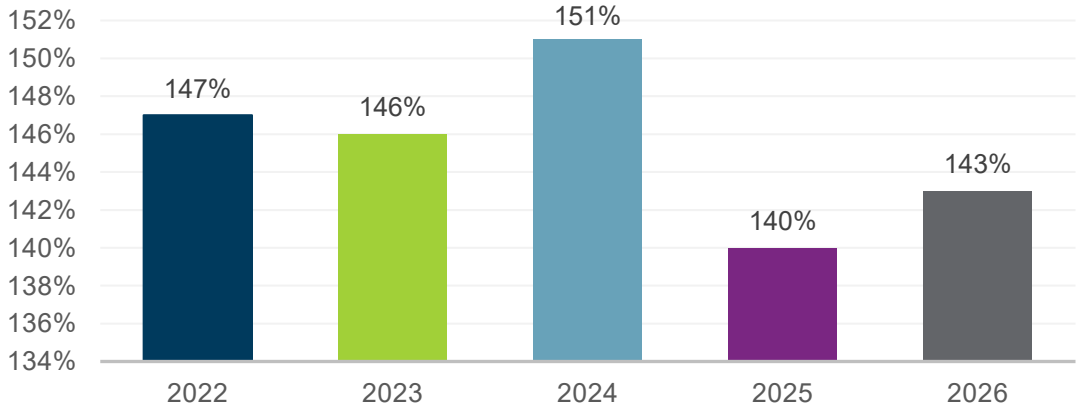
## STATE EMPLOYEE AND TEACHER PLAN



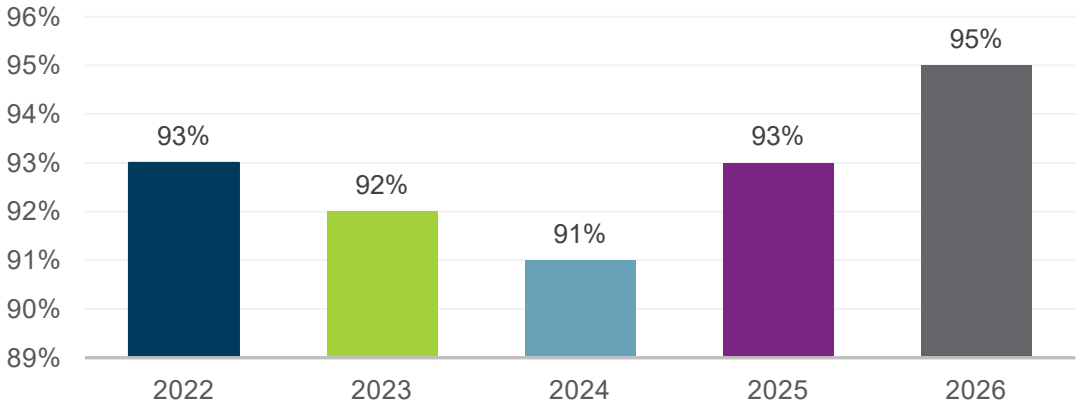

## JUDICIAL PLAN




## LEGISLATIVE PLAN




## PLD CONSOLIDATED PLAN

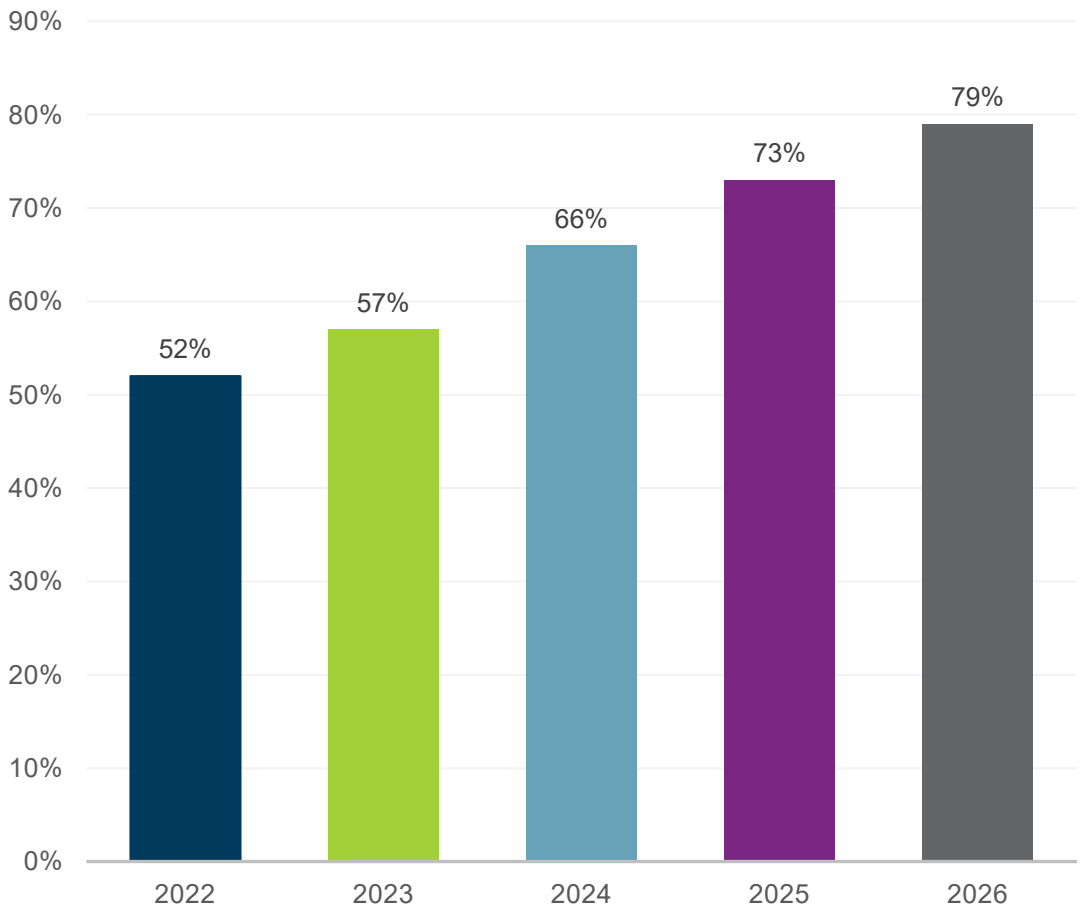



FNP – Fiduciary Net Position

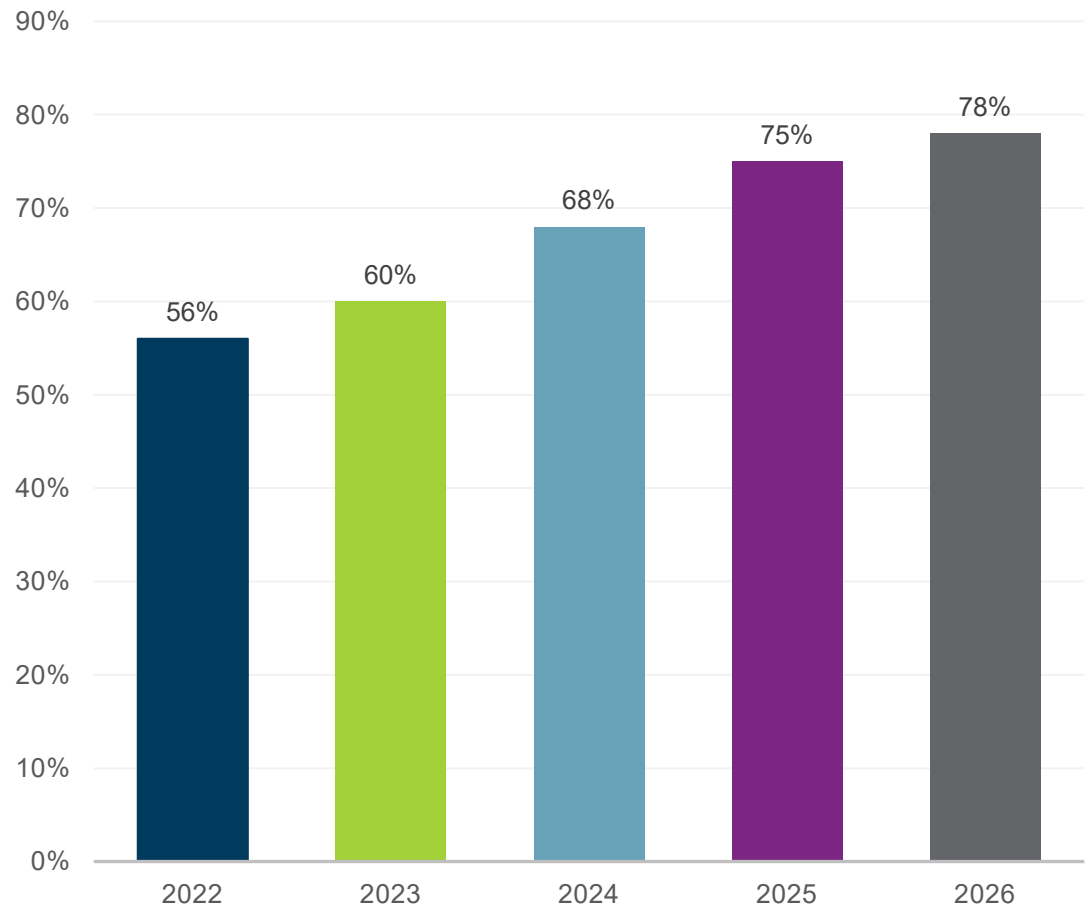
TPL – Total Pension Liability

# Key Financial Information – OPEB Plans – FNP as a % of TOL

## STATE EMPLOYEE AND TEACHER PLAN




## PLD CONSOLIDATED PLAN




FNP – Fiduciary Net Position

TOL – Total OPEB Liability

# Financial Statement

## Footnotes

- Note 2 – Risks and Uncertainties
- Note 3 – Fair Value Measurement
- Notes 3 & 4 – Deposit and Investment Risks
- Note 6 – Defined Benefit Plans
- Note 7 – Group Life Insurance Program
- Notes 6 & 7 – Actuarial Valuation Method and Assumptions

# Required Auditor Communications

## Accounting Policies

- Adopted Governmental Accounting Standards (GASB Statement) No. 103, *Financial Reporting Model Improvements* and GASB Statement No. 104, *Disclosure of Certain Capital Assets*
- No transactions lacked authoritative guidance
- All significant transactions were recorded in the correct period

## Management's Judgment and Estimates

- Actuarially calculated contributions and Total Pension and OPEB Liability
- Estimated fair value of investments reported at Level 2 and NAV

## Corrected and Uncorrected Misstatements

- No significant audit adjustments
- Unrecorded adjustments to true-up fair value of investments subsequently reported by investment managers

# Yellow Book Report

## Internal Controls Over Financial Reporting

- We considered the internal controls over financial reporting in connection with designing our audit procedures
- We did not perform an audit of the internal controls, therefore, we do not express an opinion of the internal controls over financial reporting

## Compliance with Laws, Regulations, Contracts, and Grant Agreements

- We performed certain tests of compliance with certain provisions of laws, regulations, contracts and agreements
- Focus on potential noncompliance that would be direct and material to the financial statements

## Internal Control Matters

- We did not identify any control matters that we would consider to be material weaknesses
- Material weaknesses or significant deficiencies may exist that have were not identified

## Results of Compliance Testing

- We did not note any instances of noncompliance or other matters that are required to be reported
- We did not perform an audit of compliance, therefore, we do not express an opinion on compliance

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# Thank you

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# MAINEPERS

## BOARD OF TRUSTEES MEMORANDUM

**TO:** BOARD MEMBERS

**FROM:** NANETTE ARDRY, GENERAL COUNSEL

**SUBJECT:** RULEMAKING UPDATE

**DATE:** SEPTEMBER 24, 2026

### I. Notices

MainePERS does not intend to publish any rulemaking notices in October.

### II. Public Hearings

The October Board Meeting does not include public hearings.

### III. Adoptions

The October Board Meeting includes consideration of one repeal and two adoptions. Copies of existing **Rule 802** and proposed amended **Rules 204** and **803** and their respective basis statement along with any written comments are provided in the Board materials.

- MainePERS proposes to repeal **Rule 802** (Participating Local Districts; Membership / Part-Time, Seasonal or Temporary Employees) as obsolete. This Rule was adopted at a time when participating local districts were required to classify part-time, seasonal or temporary employees to comply with federal law. The only remaining part of the Rule that was not obsolete was the reference to the definition of part-time, seasonal or temporary employees that will now be referenced in Rule 803. No comments on the repeal of Rule 802 were received at the public hearing and no written comments were received from the public.

- The amendments that MainePERS is proposing to **Rule 803** (Participating Local District Consolidated Retirement Plan), update a reference to the definition of part-time, seasonal temporary employee to refer to federal law instead of Rule 802 and allow a member in a position under the plan may purchase creditable service if they were otherwise eligible regardless of whether the district specified the employee's position under the plan. The PLD Advisory Committee has recommended this amendment. No comments on the proposed amendments to Rule 803 were received at the public hearing and no written comments were received from the public.

- MainePERS proposes to amend **Rule 204** (Waiver of Member Payment Requirement where Caused by Employer Error or Omission) to expand the opportunities for MainePERS to waive payments required by members, retirees, or benefit recipients to allow more member friendly opportunities for waivers of small amounts under $250, not impose interest where the amount due is the result of error or good faith mistake, or allow relief if payment would be unreasonable or create financial hardship. A public hearing was held at the September meeting, at which one member of the public provided comments. Written comments on the proposed amendment were received from two members of the public, including from the member who commented at the public hearing. A copy of the proposed amended Rule 204 and the basis statement are provided in the Board materials along with the written comments received. Section 2(4) was clarified in response to comments to state that a member, retiree or benefit recipient may appeal from a decision if they are aggrieved and to remove “good faith” before “mistake” both in response to comments received.

**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**

*That the Board repeal Rule Chapter 802 and adopt amended Rule Chapters 204 and 803 and their respective basis statements.*

94-411 MAINE STATE RETIREMENT SYSTEM

Chapter 802 PARTICIPATING LOCAL DISTRICTS: MEMBERSHIP FOR PART-TIME, SEASONAL OR TEMPORARY EMPLOYEES

SUMMARY: This Chapter establishes the extent to which a participating local district may include or exclude its part-time, seasonal or temporary employees from membership in the Maine State Retirement System. It specifies the manner in which a participating local district must notify the System of its decision with respect to these employees. It provides that under certain circumstances, employees have an option to withdraw from or join the System. It requires that participating local districts continue to contribute to the System in accordance with their existing plans on behalf of part-time, seasonal or temporary employees until the System is notified of any change and it establishes deadlines for action and the consequences of failure to act.

1. Purpose and Scope

The purpose of this Chapter is to establish the criteria and procedures by which participating local districts may, in accordance with Federal Social Security law and IRS rules and with Retirement System statutes, include part-time, seasonal or temporary employees in or exclude them from membership in the System. Under Retirement System statutes (5 MRSA §18202, sub-§2) a statutory amendment which could grant benefits to employees of a participating local district is effective as to that district only if the district adopts the amendment. Accordingly, the provisions of PL 1991, c. 619 which could grant benefits (e.g., "immediate vesting" in a non-forfeitable right to a refund of contributions at 7.5%; annualized compensation) are effective as to a participating local district only if adopted by it. This Chapter provides the mechanism for and results of adoption, and nonadoption of these. The non-benefit provisions of PL 1991, c. 619 which apply to participating local districts are effective without adoption by the districts.

The Chapter governs membership for those part-time, seasonal or temporary employees who fit the definitions of these terms as established by Federal law (26 CFR Part 31) and adopted by the Maine Legislature and by this Chapter. Thus, not all employees who work in part-time or seasonal or temporary positions are part-time, seasonal or temporary employees within the scope of this Chapter.

This Chapter supersedes and replaces Chapter 802 (emergency) of the Board's rules.

2. Authority

This Chapter is adopted under the authority of 5 MRSA S18202 (2), 5 MRSA §18206 as amended by PL 1991, c. 619, and 5 MRSA §8051 - §8064.

3. Definitions

A. Board. "Board" means the Board of Trustees of the Maine State Retirement System.

B. Participating local district. “Participating local district" means a local district which has approved the participation of its employees in the Retirement System under §18201.

C. Part-time, seasonal or temporary employee. "Part-time, seasonal or temporary employee", means an employee whose employment position is part-time, seasonal or temporary as defined in 26 CFR Part 31, attached to this rule as an Appendix.

D. PL 1991, c. 619. "PL 1991, c. 619" means, for purposes of section 5 and section 6 of this Chapter, those provisions of PL 1991, c. 619 which could grant benefits to the employees of participating local districts.

E. System. "System" means the Maine State Retirement System.

4. Applicability"

This Chapter applies to all participating local districts, regardless whether they have Section 218 agreements, and as of January 1, 1992, governs membership in the System by part-time, seasonal or temporary employees of the districts.

5. Participating Local Districts Without Section 218 Agreements

A participating local district which does not have a Section 218 agreement may:

A. Adopt PL 1991, c. 619 for all Part-time, seasonal or temporary employees. A district may adopt PL 1991, c. 619 for all of its part-time, seasonal or temporary employees who were employees of the district on December 31, 1991, and all part-time, seasonal or temporary employees hired on or after January 1, 1992 by filing with the Board a certified copy of the vote of the body entitled to approve participation in the System. All of the district's part-time, seasonal or temporary employees must be members of the System.

B. Adopt PL 1991, c. 619 for employees who were part-time, seasonal or temporary employees of the district on December 31, 1991. A participating local district may adopt PL 1991, c. 619 only for those part-time, seasonal or temporary employees who were employees of the district on December 31, 1991, by filing with the Board a certified copy of the vote of the body entitled to approve participation in the System. All of the district's part-time, seasonal or temporary employees who were employees of the district on December 31, 1991, must be members of the Retirement System. Part-time, seasonal or temporary employees hired by the district after December 31, 1991, may not become members of the System.

NOTE: A district must also meet the requirements of Federal Social Security law and IRS rules for part-time, seasonal or temporary employees hired after December 31, 1991.

C. Decline to adopt PL 1991, c. 619. A participating local district may decline to adopt the provisions of PL 1991, c. 619 by filing with the Board a certified copy of the vote of the body entitled to approve participation in the System.

(1) A person who was a part-time, seasonal or temporary employee of the district on December 31, 1991, who was a member of the System on December 31, 1991 and who first became a member before July 1, 1991 may elect to withdraw from the System, as follows:

a. The district must give written notice to each such employee of the employee's right to withdraw from membership.

b. The employee must give written notice to the district that s/he elects to withdraw from membership.

c. The district must transmit each employee's written notice of election to withdraw to the System no later than September 1, 1992.

d. All elections to withdraw are effective as of January 1, 1992 and are final. The System will refund the contributions of each employee who elects to withdraw.

e. An employee who does not elect to withdraw continues to be a member under the System’s statutes without the amendments made by PL 1991, c. 619 and may not later withdraw under this Chapter.

(2) The provisions of paragraph l(a)-(e) apply to the part-time, seasonal or temporary employees of a participating local district which, acting under Chapter 801 (Emergency), declined to adopt the provisions of PL 1991, c. 619 and which does not act to change its election under subsection F. An employee who was removed from membership as a result of action taken by the district under Chapter 801 (Emergency) who does not elect to withdraw must be reinstated as a member effective as of the date of removal. Employer and employee contributions must be made on compensation paid for service rendered during the time between removal and reinstatement.

(3) The district may exclude from membership persons who were part-time, seasonal or temporary employees of the district on December 31, 1991, and who were members of the System on December 31, 1991 but who became members on or after July 1, 1991. The exclusion is effective as of January 1, 1992. The provisions of this paragraph apply to participating local districts which, acting under Chapter 801 (Emergency), declined to adopt the provisions of PL 1991, c. 619 and which does not act to change its election under subsection F.

a. The district must establish the exclusion by filing with the Board a certified copy of the vote of the body entitled to approve participation in the System, together with the names of the affected members.

b. Contributions of excluded employees related to service after January 1, 1992 must be refunded.

(4) A part-time, seasonal or temporary employee hired after December 31, 1991 may not become a member of the System.

NOTE: A district must also meet the requirements of Federal Social Security law and IRS rules for its part-time, seasonal or temporary employees. The amendments made by c. 619 do not apply to the district's part-time, seasonal or temporary employees.

D. Effective date of action. Regardless of the date upon which the vote under A, B or C is filed, the action is effective as of January 1, 1992.

E. Status until action taken. Until a participating local district takes action as required under this section, it must continue to make contributions to the System, if it is required to do so by terms of its participation, for all of its part-time, seasonal or temporary employees whether they are employees of the district on December 31, 1991 or are hired thereafter.

NOTE: A district must also meet the requirements of Federal Social Security law and IRS rules for its part-time, seasonal or temporary employees.

F. Change of Prior election. A district which filed an election with the System under Chapter 801 (Emergency) before the effective date of this Chapter may change its election by taking action under A, B or C above. The deadline established by G applies to a change of election and the new election is effective as of January 1, 1992. If a district files a change of election, the election bearing the latest date controls. An election made under this Chapter is final.

G. Failure to act. Except as provided in section 6, a district which does not file the vote required by this Chapter with the Board by September 1, 1992, will be deemed to have declined to adopt the provisions of PL 1991, c. 619.

(1) The district may not in future make an election under this Chapter.

(2) The provisions of section 5(C) with respect to employee election apply as in Section 5(c).

NOTE: A district must also meet the requirements of Federal Social Security law and IRS rules for its part-time, seasonal or temporary employees.

H. No Part-time, seasonal or temporary employees. A district which has no part-time, seasonal or temporary employees on December 31, 1991, must make its election under this chapter no later than the time at which it first hires a part-time, seasonal or temporary employee.

6. Participating Local Districts Having Section 218 Agreements

A participating local district which has a Section 218 agreement may adopt PL 1991, c. 619 only for those part-time, seasonal or temporary employees of the district who were not covered by the district's Section 218 agreement prior to July 1, 1991, and who were members of the System on June 30, 1991, for the purpose of offering to those employees the choice of membership in the System under the System's statutes as amended by c. 619. The district must make the adoption by filing with the Board a certified copy of the vote of the body entitled to approve participation in the System.

A. The district must give written notice in a timely manner to each such employee of the employee’s right to choose to be a member of the System under the System’s statutes as amended by PL 1991, c. 619.

B. The employee must give written notice to the district that s/he chooses to be a member of the System under the System's statutes as amended by PL 1991, c. 619.

C. The district must transmit to the System no later than September 1, 1992 each employee's written notice of choice.

D. The employee's choice is effective as of January 1, 1992 and is final.

E. An employee who does not choose to be a member as provided in this section by July 1, 1992, may not later become a member under this section.

EFFECTIVE DATE: May 4, 1992

EFFECTIVE DATE: June 9, 1992 (Permanent Rule)

EFFECTIVE DATE (ELECTRONIC CONVERSION): May 5, 1996

NON-SUBSTANTIVE CORRECTIONS: October 3, 1996 - minor spelling and format.

APAO WORD VERSION CONVERSION (IF NEEDED) AND ACCESSIBILITY CHECK: July 17, 2025

APPENDIX TO CHAPTER 802, M.S.R.S. RULES

26 CFR Part 31: DEFINITIONS OF PART-TIME, SEASONAL AND TEMPORARY EMPLOYEE

(iii) Definitions of part-time, seasonal and temporary employee--

(A) Definition of part-time employee. For purposes of this section, a part-time employee is any employee who normally works 20 hours or less per week. A teacher employed by a post-secondary educational institution (e.g., a community or junior college, post-secondary vocational school, college, university or graduate school) is not considered a part-time employee for purposes of this section if he or she normally has classroom hours of one-half or more of the number of classroom hours designated by the educational institution as constituting full-time employment, provided that such designation is reasonable under all the facts and circumstance. In addition, elected officials and election workers (otherwise described in section 3121 (b) (7) (F) (iv) but paid in excess of $100 annually) are not considered part-time, seasonal or temporary employees for purposes of this section. The rules of this paragraph (d) (2) (iii) are illustrated by the following example.

Example. A community college treats a teacher as a full-time employee if the teacher is assigned to work 15 classroom hours per week. A new teacher is assigned to work 8 classroom hours per week. Because the assigned classroom hours of the teacher are at least one-half of the school's definition of full-time teacher, the teacher is not a part-time employee.

(B) Definition of seasonal employee. For purposes of this section, a seasonal employee is any employee who normally works on a full-time basis less than 5 months in a year. Thus, for example, individuals who are hired by a political subdivision during the tax return season in order to process incoming returns and work full-time over a 3-month period are seasonal employees.

(C) Definition of temporary employee. For purposes of this section, a temporary employee is any employee performing services under a contractual arrangement with the employer of 2 years or less duration. Possible contract extensions may be considered in determining the duration of a contractual arrangement, but only if, under the facts and circumstances, there is a significant likelihood that the employee's contract will be extended. Future contract extensions are considered significantly likely to occur for purposes of this rule if on average 80 percent of similarly situated employees (i.e., those in the same or a similar job classification

with expiring employment contracts) have had bona fide offers to renew their contracts in the immediately preceding 2 academic or calendar years. In addition, future contract extensions are considered significantly likely to occur if the employee with respect to whom the determination is being made has a history of contract extensions with respect to his or her current position. An employee is not considered a temporary employee for purposes of this rule solely because he or she is included in a unit of employees covered by a collective bargaining agreement of 2 years or less duration.

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

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

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

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

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**SECTION 1. DEFINITIONS**

1. **Local District**. "Local district" means:

   A. Any county, municipality, quasi-municipal corporation or incorporated instrumentality of the State or of one or more of its political subdivisions;

   B. Any incorporated association of employees of the State or employees of any of the entities set out in paragraph A;

   C. Any incorporated association of any of the entities set out in paragraph A;

   D. Any entity eligible to become a participating local district before January 1, 1976;

   E. Any entity participating in the Retirement System before January 1, 1976; or

   F. Any educational institution in the State teaching courses equivalent to or higher than secondary institutions.

   G. Any public charter school, as authorized by Title 20-A, chapter 112.

2. "**Consumer Price Index**" means:

   A. The Consumer Price Index for All Urban Consumers, CPI-U, as compiled by the Bureau of Labor Statistics, United States Department of Labor; or

   B. If the index described in paragraph A is revised or superseded, the Board must employ the Consumer Price Index compiled by the Bureau of Labor Statistics, United States Department of Labor that the Board finds to be most reflective of changes in the purchasing power of the dollar for the broadest population of consumers, including retired consumers.

3. "**Current Employer**" means the employer who is the member's employer at the time the member becomes a member under The Plan.

4. "**Member**" means any employee included in the membership of The Plan.

5. "**Normal Retirement Age**" means the specified age, the years of service requirement or any combination of age and years of service requirements at which a member becomes eligible for an unreduced retirement benefit.

6. "**Participant**" means any employee included in the defined contribution plan under this chapter.

7. "**Participating Local District**" means a local district which has approved the participation of its employees in the Retirement System under 5 M.R.S. §18201 or §18804.

8. "**The Plan**" means the defined benefit plan under the consolidated retirement plan for local districts established by 5 M.R.S., Chapter 427 (§18801 *et seq*.) and this chapter.

9. **Other Terms**. All other terms used in this chapter, unless the context otherwise indicates, shall have the same definitions as in 5 M.R.S. §17001.

## SECTION 2. LOCAL DISTRICT PARTICIPATION

1. **Participating Local District Election**. Before July 1, 1996, the executive body or legislative body of each local district that is a participating local district under 5 M.R.S., Chapter 425 (§18201 *et seq*.) must, by resolution or order, elect one of the following options. Failure to make an election will have the same effect as electing paragraph B.

A. **To Join The Plan**. A participating local district may elect to participate in The Plan in accordance with the requirements of 5 M.R.S. §18804. Upon receipt of the certified copy of the resolution or order and record of the vote, the Executive Director shall prepare an agreement, to be signed by the authorized representative of the district and the Executive Director, specifying the parts of The Plan applicable to the district and the duties and rights of the district and the Retirement System. The resolution or order shall include:

(1) Approval of the participation in The Plan;

(2) The regular service retirement benefit plan and, if applicable, the special service retirement benefit plan elected from those provided by this chapter for the district's employees; and

(3) The name or title of the person authorized to sign the agreement on behalf of the local district.

B. **To Be Transferred to The Plan**. A participating local district may elect to have its participation in the Retirement System transferred to The Plan without electing the retirement benefit plan or plans for the district's employees.

(1) The Retirement System will transfer the district's employees to the plan or plans with the benefit level or levels closest to the district's current plan or plans.

(2) The resolution or order shall include the same information as that required under paragraph A, except that it shall state that the Retirement System is to determine the retirement benefit plan or plan that apply to the district's employees.

(3) The agreement as prepared by the Executive Director shall be as provided in paragraph A.

C. **To Withdraw from the Maine Public Employees Retirement System**. Subject to 5 M.R.S. §18203, a participating local district may withdraw from participation in the Retirement System. The effect of withdrawal on the district's employees is governed by 5 M.R.S. §18254.

2. **Local District May Enter into Agreement for The Plan**. Any local district that is not a participating local district before July 1, 1993, may enter into an agreement for participation of its employees in the Retirement System only under The Plan and in the manner provided by 5 M.R.S. §18804, sub-§1 or 2. Upon receipt of the certified copy of the resolution or order and record of the vote, the Executive Director shall prepare an agreement specifying the parts of The Plan applicable to the district and the duties and rights of the district and the Retirement System. The resolution or order shall include:

A. Approval of the participation in The Plan;

B. The regular service retirement benefit plan and, if applicable, the special service retirement benefit plan elected from those provided by this chapter for the district's employees;

C. A list of classes, and a list by name and social security number, of any employees who are excluded from membership based upon their being provided for by local pension provisions;

D. Any limitations on the granting of service credits to employees for service before the beginning date of the participation of its employees in The Plan; and

E. The name or title of the person authorized to sign the agreement on behalf of the local district.

3. **Effective Date; Date of Operation; Date of Participation**

A. **Effective Date**. July 1, 1993, is the effective date of The Plan. Participating local districts and other local districts may enter into an agreement to participate in The Plan on and after that date.

B. **Date the Plan Goes into Operation**. The Plan will be put into operation as of July 1 immediately following the date when:

(1) The number of local districts that have entered into agreements for participation in The Plan with an election of regular service retirement benefits for their employees exceeds 3% of the districts which as of that date are participating in the Retirement System in regular service retirement benefit plans;

(2) The number of local districts that have entered into agreements for participation in The Plan with an election of special service retirement benefits for their employees exceeds 3% of the districts which as of that date are participating in the Retirement System special service retirement benefit plans; and

(3) In each instance the total number of members employed by districts that have entered agreements exceeds 5% of the total of all participating local district members in each category as of that date.

C. **Date of Participation**. The date of participation in The Plan for a participating local district is the first day of the month that most immediately follows the date on which the agreement for participation is signed by the Executive Director and the authorized representative of the participating local district or such later date stated in the agreement or amendment, unless The Plan is not then in operation, in which case, the date of participation is the date on which The Plan goes into operation.

4. **Full Withdrawal from The Plan**. A participating local district may fully withdraw from participation in The Plan by filing with the Board of Trustees a duly certified copy of the withdrawal vote of the body entitled to approve participation under 5 M.R.S. §18804, sub-§1 or 2. The withdrawal date is the later of the last day of the month following the month in which the certified notice is received by the Board or the last day of a later month specified in the notice. The effect of withdrawal on the district's employees is governed by 5 M.R.S. §18254, sub-§1 through 4.

1. A participating local district that withdraws from participation in The Plan must continue to make payments as required under Section 5, subsection 2.

2. Additionally, the withdrawing participating local district must make a withdrawal liability payment determined as follows:

(1) The System’s actuary will calculate the pooled unfunded actuarial liability of The Plan as of the most recent valuation date that precedes the withdrawal date. The actuary will allocate a portion of the pooled unfunded actuarial liability to the withdrawing participating local district on the basis of the proportion of the withdrawing participating local district’s total covered payroll to the total covered payroll of The Plan as of the valuation date.

(2) Unless otherwise agreed under subparagraph 3, the actuary will subtract from the withdrawing participating local district’s portion calculated under subparagraph 1 the present value, as of the withdrawal date, of pooled unfunded actuarial liability payments the participating local district has made since the valuation and pooled unfunded actuarial liability payments the participating local district is expected to pay through the payment of employer contributions after withdrawal on those employees who remain active members. The difference is the withdrawal liability payment amount.

(3) As an alternative to subparagraph 2, the Executive Director and the withdrawing participating local district may agree that the withdrawal liability payment amount is the withdrawing participating local district's portion as calculated under subparagraph 1, reduced only by the present value, as of the withdrawal date, of any pooled unfunded actuarial liability payments the participating local district has made since the valuation. In that case, the withdrawing participating local district's obligations under paragraph A do not include payments under Section 5, subsection 2, paragraph C.

(4) The withdrawing participating local district may pay this withdrawal liability amount in a lump sum or amortize it over a period of up to 30 years at the actuarial assumed rate of return used in the most recent valuation that precedes the withdrawal date.

3. The withdrawing participating local district remains a participating local district subject to this rule until it has no remaining active members and all of its liabilities for inactive vested members, retired members and beneficiaries of retired members have been satisfied according to the requirements of federal and state law, and rules and policies governing satisfaction of liabilities.

4-1. **Partial Withdrawal from The Plan.** For purposes of this subsection, a partial withdrawal occurs when a participating local district elects a change under subsection 7 that excludes a category of employees from membership who would have been eligible for membership absent the change. In the case of a partial withdrawal, the participating local district must make a withdrawal liability payment calculated and paid in the same manner as set forth in subsection 4, paragraph B, except that the portion of The Plan's pooled unfunded actuarial liability that will be allocated to the partially-withdrawing participating local district will be based on the proportion of the district's covered payroll for that category of employees to the total covered payroll of The Plan as of the valuation date.

5. **Resumption of Participation after Withdrawal**. A participating local district that has withdrawn from The Plan under subsection 1, paragraph C or subsection 4 may resume participation in The Plan by taking the actions required by subsection 2.

A. A participating local district which has resumed participation and which thereafter again withdraws may not subsequently again resume participation before 3 years from the date of its immediately prior withdrawal.

B. A local district may resume participation only under the consolidated plan. The retirement benefit plan adopted by the local district on resumption is applicable to all current and future employees who are members if the plan results in a higher level of benefits for the district's employees. The plan adopted on resumption is applicable only to new employees if the plan results in a lower level of benefits for the district's employees or results in a change from a plan with cost of living adjustments to a plan without cost of living adjustments.

C. **Effect on employees**. Except as set forth below in this paragraph C, employees of a local district which resumes participation in the Retirement System are eligible for membership in the System on the same basis as employees of a local district upon initial participation.

(1) Employees who did not withdraw from membership when the local district withdrew from participation in the System may continue membership on the same basis as before the resumption of participation and are entitled to any additional benefit provisions selected and any increase in the level of benefits provided under The Plan.

(2) Employees for whom membership was compulsory who withdrew from membership when the local district withdrew from participation in the System must resume membership in the System if membership with the local district remains compulsory upon the resumption of participation by the local district.

(a) These employees may receive service credits for previous membership service upon repayment of withdrawn accumulated contributions and applicable interest.

(b) These employees may not purchase service credits for periods of employment between withdrawal from membership and resumption of participation by the local district.

(3) Employees for whom membership was not compulsory and who elected not to become or remain a member may not be a member as an employee of that local district unless the employee is electing to rejoin The Plan and:

(a) The employee is covered by a plan provided by the employer under section 5 M.R.S. §18252-B with an employee contribution rate that is not lower than the employee contribution rate for the applicable plan under The Plan; and

(b) Employee contributions after rejoining The Plan qualify for treatment as pick-up contributions for federal tax purposes and the person's membership otherwise complies with the United States Internal Revenue Code as applicable to governmental qualified defined benefit plans.

(4) The participating local district may allow current employees who began service with the district after the district withdrew from participation to purchase service credits for service rendered from the time of hire to the resumption of participation. The purchase of such service credits is governed by 5 M.R.S. §18253, sub-§2, paragraphs A and B.

(5) If the district grants prior service credits, those service credits shall be based only upon the employee's employment with the district before the district's initial date of participation.

6. **Disbanded or Dissolved Districts**. The effect of the disbanding or dissolution of a district that participates in The Plan on the membership and benefits of its employees is governed by 5 M.R.S. §18255 and §18408.

7. **Change of Service Retirement Benefit Plan or Plans**. After beginning participation in The Plan, a participating local district may elect to change the service retirement benefit plan or plans which apply to the district's employees by following the same process set forth in Section 2 for participation in The Plan. The change is applicable to all current and future

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

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

8. If the retirement system determines that a certified action received under Section 2 is unclear, the chief administrative officer of the participating local district may clarify in writing any ambiguity in the certified action, and the retirement system may rely on that clarification.

**SECTION 3. MEMBERSHIP**

1. **Compulsory Membership**. Membership is compulsory for all employees who are in the service of a participating local district on the date when participation of the employees of that district in The Plan begins and who are members of the System on that date and for all employees entering the service of that district after that date, except as provided under subsection 2 and 3. A local district that is not a participating local district before July 1, 1993, shall designate in its resolution or order approving participation any class of employees otherwise provided for by local pension provisions who are excluded from membership in The Plan as provided under 5 M.R.S. §18804, sub-§3.

2. **Optional Membership**. Optional membership under The Plan for employees of participating local districts is governed as follows:

   A. **Member When Participation of Employees Begins**. Membership is optional for employees in the service of a local district on the date when the participation in the Retirement System of the employees of the local district first begins, whether under 5 M.R.S., Chapters 425 or 427.

   B. **Elected or Appointed Officials**. Membership is optional for elected officials and officials appointed for a fixed term.

   C. **Trustees of Water, Sanitary and Sewer Districts**. Membership of trustees of water, sanitary and sewer districts is subject to the following:

      (1) **Water districts**. Membership of trustees of a water district is governed by 35-A M.R.S., §6410, subsection 8;

      (2) **Sanitary districts**. Membership of trustees of a sanitary district is governed by 38 M.R.S. §1104.

      (3) **Sewer districts**. Membership of trustees of a sewer district is governed by 38 M.R.S. §1036.

D. **Employees Covered by Social Security**. Membership is optional for an employee of a participating local district who is covered under the *United States Social Security Act*. Except as provided by paragraph H, optional membership for those employees is subject to 5 M.R.S. §18252.

E. **Employees Not Covered by Social Security**. Membership is optional for any employee of a participating local district that does not provide Social Security coverage provided that the district offers an alternative plan that meets the requirements of 5 M.R.S. §18252-B, and provided that the employee participates in the alternative plan. Optional membership for those employees is subject to 5 M.R.S. §18252-A as amended by PL 2021, c. 90.

F. **Chief Administrative Officer**. Membership is optional for a chief administrative officer of a participating local district, whether appointed for a fixed term or whether appointed with tenure.

G. **Employees Not Subject to Municipal Public Employees Labor Relations Law**. Membership is optional for those employees who are not subject to the municipal public employees labor relations laws contained in 26 M.R.S., Chapter 9-A.

H. Membership for employees of a participating local district that provides a plan under 5 M.R.S. §18252-B is governed by 5 M.R.S. §18252-A as amended by PL 2021, c. 90.

I. The provisions of 5 M.R.S. §18252-C apply only to employees of participating local districts who specifically adopt them in their participation agreement.

3. **Part-Time, Seasonal or Temporary Employees**. Membership of part-time, seasonal and temporary employees, as defined by 26 CFR Part 31~~Chapter 802 (94-411 CMR 802) of the rules of the Board~~ is determined by the election made by each participating local district under Section 2.

4. **Cessation of Membership**. A member ceases to be a member of the Retirement System if the member:

A. **Withdrawal**. Withdraws accumulated contributions;

B. **Beneficiary**. Becomes a beneficiary as a result of the member's own retirement; or

C. **Death**. Dies.

5. **Service in the Armed Forces**. The membership of the following members under The Plan is considered to have continued during the period of the member's service in the Armed Forces of the United States:

A. Any member entering a class of service in the Armed Forces of the United States approved by resolution of the Board, if the member does not withdraw accumulated contributions;

B. Any member who enlists in or is inducted or drafted into the service of the Armed Forces of the United States; and

C. Any member who enlists in or is inducted or drafted into the service of the Armed Forces of the United States while the *United States Selective Service Act of 1948*, Public Law 759, or any of its amendments or extensions is in effect.

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

1. **Two or More Employers under The Plan**. A member's benefits are based upon all creditable service with all participating employers while a member under The Plan, and creditable service with the member's employer on the date the member began participation under The Plan. When a member under The Plan terminates employment and is subsequently reemployed by another employer whose employees participate in The Plan, the member is not considered to be reemployed by a new employer. If the member is reemployed by the subsequent employer as of the first work day following termination of employment with the previous employer, for the purpose of determining eligibility for benefits, the member is considered to have continuous membership and creditable service.

2. **Previous Employer Not under The Plan**; Subsequent Employer under The Plan. When a member either terminates employment with an employer that has withdrawn from the System, or terminates employment with another employer under the System whose employees are not covered by The Plan, and is employed by a subsequent employer whose employees are members under The Plan, the member's creditable service with the previous employer is used in determining eligibility to retire under the subsequent employer's regular service retirement benefit plan under Section 7. Benefits for service with the previous employer are based upon creditable service and earnable compensation with the previous employer and the provisions of 5 M.R.S., Part 20 in effect with respect to the previous employer at the date of termination of service by the member. A county or municipal law enforcement officer or a municipal firefighter who is eligible under 5 M.R.S. §18253, sub-§1, paragraph E, and who elects to make the contribution necessary under Section 5, subsection 1, paragraph K may include all or part of the creditable service earned with a previous employer with service earned with the new employer both for the purpose of qualification for a service retirement benefit and for the benefit computation.

3. **Previous Employer under The Plan**; Subsequent Employer Not under The Plan. Membership, creditable service and benefits of a member under The Plan who terminates employment and is reemployed as a state employee or teacher are governed by 5 M.R.S. §17656, sub-§1. Until July 1, 1996, membership, creditable service and benefits of a member under The Plan who terminates employment and is reemployed by a participating local district whose employees do not participate in The Plan are governed by 5 M.R.S. §18253, sub-§1. As required by Section 2, paragraph 1, as of July 1, 1996, each local district that is a participating local district must have either entered into an agreement to participate in The Plan or have withdrawn from participation in the Retirement System.

4. **Service under Two or More Special Service Retirement Benefit Plans; Eligibility to Retire**. If a member accrues service credits under more than one special service retirement benefit plan in The Plan, whether with the same employer or more than one employer, credit from service under other special plans toward meeting the retirement eligibility requirements of the special plan from which the member retires is transferred based upon the percentage of the eligibility requirements for the previous plan or plans which were met while under the previous plan or plans. For example, a member who accrues 10 years of creditable service under Special Service Retirement Benefit Plan 1 (1/2 of AFC after 20 years) would have completed 50% of the eligibility requirement under that plan and upon transferring to employment under Special Service Retirement Benefit Plan 2 (1/2 of AFC after 25 years) would be entitled to 50% of the eligibility requirements for that plan; i.e., 12.5 years. The member's benefit would be calculated at 2.5% of AFC for each year under Plan 1 and at 2% for each year under Plan 2.

5. **Service under Two or More Service Retirement Benefit Plans – One Regular and One Special; Eligibility to Retire**

A. **Regular Service before Special Service**. If a member under The Plan accrues service credits under a regular service retirement plan before accruing service credits under a special service retirement benefit plan, whether with the same employer or more than one employer,

(1) the member may retire at any time after the member qualifies for a special service retirement benefit under Section 8. The regular plan service credits may be used toward qualifying to retire under a special service retirement benefit as provided in Section 8. The regular plan service credits used towards qualification for a special service retirement benefit are considered to be special plan service credits for the purpose of computation of the special service retirement benefit as provided in Section 8. If the application of the provisions of Section 4, subsection 6 would result in a greater service retirement benefit, then the benefit will be computed under that section.

(2) A member who does not qualify to retire under a special service retirement plan may retire under a regular service retirement plan at any time after the member qualifies under Section 7. The service retirement benefit for all service is computed as provided in Section 7.

B. **Special Service before Regular Service**. If a member under The Plan accrues service credits under a special service retirement benefit plan before accruing service credits under a regular service retirement benefit plan, whether with the same employer or more than one employer,

(1) before qualifying to retire under a special service retirement plan, the member may retire at any time after completing 25 years total service or reaching normal retirement age with at least one year of service. The service retirement benefit for all service is computed as provided in Section 7.

(2) after qualifying to retire under a special service retirement plan, the member may retire at any time. The portion of the benefit that is based upon service credits under a regular service retirement benefit plan is subject to early retirement reduction if retirement is before normal retirement age. The portion of any benefit paid to a member that is based upon service credits under Special Service Retirement Benefit Plan 4 is also subject to early retirement reduction, if retirement is before age 55.

6. **Service under Two or More Service Retirement Benefit Plans; Computation of Benefits.** When a member has creditable service under two or more service retirement benefit plans, the appropriate benefit formula is applied to each period of service as provided by Section 7, “Regular Service Retirement Benefits Plans” and Section 8, “Special Service Retirement Benefit Plans”. All benefits based upon creditable service under The Plan are based upon one calculation of average final compensation.

## SECTION 5. CONTRIBUTIONS

1. **Member contributions**

A. **Active Member**. Each member under The Plan shall contribute to the Retirement System or have pick-up contributions made by the employer at a rate provided by Sections 7, 8, and 9. The contribution rate for a member is the rate assigned to the retirement benefit plan under which the member is accruing service credits.

B. **Former Members; Service under The Plan**. Any former member who, after having terminated service while a member under The Plan and having withdrawn accumulated contributions, again becomes a member under The Plan may repay the withdrawn contributions to the Members' Contribution Fund under the following conditions:

(1) **Time**. The repayment must be made before the date any retirement benefit becomes effective for the member.

(2) **Manner of Repayment**. The repayment must be made to the Retirement System consistent with Chapter 406 (94-411 CMR 406) of the rules of the Board.

(3) **Amount of Repayment**. The amount of repayment must be equal to the withdrawn accumulated contributions plus interest on the amount of those accumulated contributions, beginning on the date of withdrawal to the date the repayment or repayments are made, at a rate to be set by the Board not to exceed regular interest by 5 or more percentage points.

(4) **Credit under The Plan**. Except as provided in paragraph C, only withdrawn contributions relating to creditable service under The Plan may be repaid for service credit under The Plan.

C. **Service Not under The Plan**

(1) **Withdrawn Contributions**

(a) Any member who had service while not a member under The Plan and having withdrawn contributions relating to that service may repay the withdrawn contributions to the Members Contribution Fund under the conditions specified in paragraph B, subparagraphs 1 to 3. Creditable service related to these repaid contributions is used in determining eligibility to retire under the applicable regular service retirement benefit plan under Section 7. Benefits for that service are calculated based on that service and on earnable compensation related to that service in accordance with applicable provisions of 5 M.R.S., Part 20 in effect with respect to the previous employer's regular service retirement plan immediately before that employer's employees became members under The Plan. The additional liability relating to the service credits granted under this division becomes part of the previous employer's unpooled unfunded actuarial liability as provided in subsection 2, paragraph A, subparagraph 2.

(b) Any member who had service while not a member under The Plan and having withdrawn contributions relating to that service may repay the withdrawn contributions to the Members Contribution Fund under the conditions specified in paragraph B, subparagraphs 1 to 3. Creditable service related to these repaid contributions is used in determining that a member is qualified to retire and in the computation of retirement benefit under the applicable service retirement benefit plan under Section 7 or Section 8. Unless the service was with the same employer that is the member's employer at the time the contributions are repaid, the contributions provided for under this subparagraph may be repaid only after the participating local district that is the member's employer at the time the contributions are repaid agrees to assume the additional liability incurred as part of the district's unpooled unfunded actuarial liability as provided in subsection 2, paragraph A, subparagraph 2.

(2) **Non-member Service**

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

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

D. **Optional Members with non-member service**. The purchase of service credit for a member for whom membership is optional under Section 3, subsection 2 who had service as an employee of a participating local district for which contributions were not made is governed by 5 M.R.S. §18305-B, provided that the member has continued to be employed by the same employer as that during which no contributions were paid.

E. **Former Member**; Withdrawal by Employees Not Covered by Social Security. In addition to paragraphs B and C, the repayment of contributions that were withdrawn by a member who is an employee of a participating local district that is not covered under a Social Security Section 218 agreement but that has a plan that meets the requirements of 5 M.R.S. §18252-B is subject to the provisions of 5 M.R.S. §18252-A as amended by PL 2021, c. 90.

F. **Service in the Armed Forces before Becoming a Member**. A member who qualifies under Section 6, subsection 4, paragraph B, sub-paragraphs 1 through 4, shall contribute to the Retirement System for the period of service in the Armed Forces under the following terms and conditions:

(1) Contributions are calculated at the percentage rate required of active members during the period of time covered by the service in the Armed Forces applied to the member's earnable compensation during the first year as an employee subsequent to service in the Armed Forces under the following terms and conditions:

(a) The payment may not be made until the member has accumulated at least 15 years of creditable service and must be made before the date any retirement benefit becomes effective for the member;

(b) If 2 or more percentage rates were in effect during the period of service in the Armed Forces, the highest percentage rate is used;

(c) The minimum rate is 5%; and

(d) Interest at a rate set by the board not to exceed regular interest by 2 or more percentage points is paid on the unpaid balance beginning January 1, 1976, or the date of attaining 15 years of creditable service, if later, to the date payment is made.

(2) **Manner of Repayment**. The repayment must be made to the Retirement System consistent with Chapter 406 (94-411 CMR 406) of the rules of the Board.

G. **Service in the Armed Forces after Becoming a Member**. For members who qualify to have their membership in the Retirement System continued under Section 3, subsection 5 because of service in the Armed Forces of the United States, the participating local district shall contribute to the Members' Contribution Fund the same amount that the member would have been required to contribute if the member had been serving the district during the period of service in the Armed Forces in the same capacity in which the member was serving at the time the member joined the Armed Forces. Any member whose contributions to the Members' Contribution Fund are paid by the district under this subsection, who withdraws or ceases to be a member of the Retirement System, may not withdraw any of the contributions made by the district under this subsection. Upon receiving written certification and substantiation from the member's employer that a member has met the requirements of Section 3, subsection 5 and Section 6, subsection 4, paragraph A, the System shall calculate the member contributions applicable to the period of service in the Armed Forces. The participating local district by which the member is employed is responsible for those contributions and will be billed by the System.

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

(1) Contributions are calculated on the same basis as the member would have made contributions had the service been in the State;

(a) The payment may not be made until the member has accumulated at least 20 years of creditable service in the Retirement System and must be made before the date any retirement benefit becomes effective for the member; and

(b) Interest at a rate, to be set by the Board, not to exceed regular interest by 5 or more percentage points is paid on the unpaid balance. Interest shall be computed from the end of the year when those contributions would have been made, if the service had been in the State, to the date of payment.

(2) **Manner of Payment**. The payment must be made to the Retirement System consistent with Chapter 406 (94-411 CMR 406) of the rules of the Board.

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

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

(1) Contributions are calculated on the same basis as the member would have made contributions had the service been as a state employee or teacher in the State. The member's earnings for the years of private or parochial teaching must be assumed to have been the same as the average salary for teachers in the State as determined by the Department of Education for each of the years when the private or parochial school teaching took place.

(a) The payment may not be made until the member has accumulated at least 20 years of creditable service in the Retirement system as a member of the participating local district and must be made before the date any retirement benefit becomes effective for the member;

(b) Interest at a rate, to be set by the Board, not to exceed regular interest by 5 or more percentage points is paid on the unpaid balance. Interest shall be computed from the end of the year when those contributions would have been made, if the service had been as a state employee or teacher in the State, to the date of payment.

(2) **Manner of Payment**. The payment must be made to the Retirement System consistent with Chapter 406 (94-411 CMR 406) of the rules of the Board.

K. **Portability of Service**. A member who elects under 5 M.R.S. §18253, sub-§1, paragraph E to include all or part of the creditable service and earnable compensation from a prior plan with service earned under The Plan may do so under the following terms and conditions:

(1) Before any retirement benefit becomes effective for that member, the member must pay into the Members' Contribution Fund an amount that, together with regular interest on that amount, is the actuarial equivalent, at the effective date of the retirement benefit, of the portion of the retirement benefit based on the inclusion of the prior plan creditable service and earnable compensation with service earned under The Plan.

(2) **Manner of Payment**. The payment must be made to the Retirement System consistent with Chapter 406 (94-411 CMR 406) of the rules of the Board.

L. **Back contributions for certain days off without pay**. A member who elects under 5 M.R.S. §18305-C to include compensation that would have been paid for days off without pay in order to include those earnings in the calculation of the member's average final compensation as provided in 5 M.R.S. §17001, sub-§4, paragraph A, may do so under the following terms and conditions:

(1) **Election**. If the retirement system determines at the time a member retires that the member's benefit would be increased as a result of the inclusion of compensation that would have been paid for days off without pay, the retirement system shall advise the member of that result and shall allow the member to elect to have that compensation included in the calculation of the member's benefit and to make payments as set forth in subsection 2.

(2) **Payment**. The amount that a member who makes the election permitted in subsection 1 must pay is the amount equal to the employee contribution that member would have made on compensation that would have been paid to that member on the days off without pay, plus interest at the same rate as

that required for repayment of withdrawn contributions pursuant to section 18304. If the member elects to make the payment, the retirement system shall withhold the required amount from the member's first retirement benefit check.

(3) **Benefit calculation**. If a member fails to make the election within 31 days of the notification provided under subsection 1, the retirement system shall calculate the member's retirement benefit without inclusion of the compensation that would have been paid for the days off without pay.

M. **Law enforcement service before becoming a member.** A member who qualifies under Section 6, subsection 10 must make contributions into the Members' Contribution Fund for the period of law enforcement service under the following terms and conditions:

(1) Before any retirement benefit becomes effective for that member, the member must pay into the Members' Contribution Fund an amount that, together with regular interest on that amount, is the actuarial equivalent, at the effective date of the retirement benefit, of the portion of the retirement benefit based on the inclusion of the prior law enforcement service credit with service earned under The Plan.

(2) **Manner of Payment**. The payment must be made to the Retirement System consistent with Chapter 406 (94-411 CMR 406) of the rules of the Board.

N. **Nonmilitary public employee of the United States Government service before becoming a member.** A member who qualifies under Section 6, subsection 11 must make contributions into the Member's Contribution Fund for the period of nonmilitary public employment with the United States Government under the following terms and conditions:

(1) Before any retirement benefit becomes effective for that member, the member must pay into the Member's Contribution Fund an amount that together with regular interest on that amount, is the actuarial equivalent, at the effective date of the retirement benefit, of the portion of the retirement benefit based on the inclusion of the prior nonmilitary public employment with the United States Government service credit with service earned under The Plan.

(2) **Manner of Payment.** The payment must be made to the Retirement System consistent with Chapter 406 (94-411 CMR 406) of the rules of the Board.

2. **Employer Contributions**. Contributions by participating local districts whose employees are members under The Plan are subject to 5 M.R.S. §18303, except that contributions and pickup contributions are to be calculated according to Sections 7, 8, and 9, and the following:

A. **Unpooled Unfunded Actuarial Liability Contribution**. Each participating local district with employees who are members under The Plan shall make a contribution known as the "Unpooled Unfunded Actuarial Liability Contribution" based upon:

(1) its Initial Unpooled Unfunded Actuarial Liability, which is the excess of projected liabilities allocated to future benefit payments to current recipients of benefits and to current members as of the date its employees begin participation under The Plan over the sum of the participating local district's assets on hand as of that date and its future employer and member normal contributions. The rate for this portion of Unpooled Unfunded Actuarial Liability Contribution shall be determined by a valuation made by the System's actuary for each participating local district with employees who are members under The Plan; and

(2) any adjustments to the Initial Unpooled Unfunded Actuarial Liability attributable to that district separately. The rate for this portion of the Unpooled Unfunded Actuarial Liability Contribution shall be added to or subtracted from the rate determined under a.

(3) if the calculation required by (1) or (2) above results in a credit balance, the balance may, at the discretion of the participating local district, be applied as an offset against the monthly contribution required in an amount no greater than the total amount of the monthly contribution against which the offset is applied.

B. **Normal Contribution**. Each participating local district with employees who are members under The Plan, along with those members pursuant to Sections 7, 8, and 9, shall make a contribution known as a "Normal Contribution" based upon the portion of projected liabilities attributable to service of all members under the several benefit plans under The Plan for the year following the valuation. The rate of this contribution shall be determined annually by a valuation made by the System's actuary based upon the membership data relating to all members under each benefit plan under The Plan and in accordance with Sections 7, 8, and 9.

C. **Pooled Unfunded Actuarial Liability Contribution**. Each participating local district with employees who are members under The Plan, along with those members pursuant to Sections 7, 8, and 9, shall make a contribution known as the "Pooled Unfunded Actuarial Liability Contribution" based upon the Pooled Unfunded Actuarial Liability. This liability is equal to the present value of all projected benefits for current and future members, including employer contributions related to military service credit under The Plan, less the present value of future member and employer normal contributions, the assets of The Plan and the present value of all Unpooled Unfunded Actuarial Liability contributions. This rate of this contribution shall be determined annually in accordance with Sections 7, 8, and 9.

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

E. **Death Benefit Contribution**. Each participating local district with employees who are members under The Plan shall make a contribution known as a "death benefit contribution" based upon the expected value of future death benefits to be paid to beneficiaries of those employees and to beneficiaries of employees who are participants in the defined contribution plan under this chapter as a result of deaths occurring during the year following the valuation date. The rate of this contribution shall be determined annually by a valuation made by the System's actuary based upon the membership data relating to all members under each benefit plan under The Plan and participants in the defined contribution plan under this chapter.

## SECTION 6. CREDITABLE SERVICE

1. **Determination of Service Credits**. The determination of service credits for members under The Plan is subject to Chapter 401 (94-411 CMR 401) of the rules of the Board.

2. **Prior Service**; Service Before Effective Date of District’s Participation. Service credit for service as an employee of a local district before the beginning date of the participation of the

employees of a participating local district in the Retirement System shall be granted upon certification by the district, subject to limitations in the district's agreement as provided by Section 2, subsection 2, paragraph D and statutes and rules in effect at the time the service was rendered.

3. **Former Member**

A. **Member who Terminated Service**. Upon complete payment of the withdrawn contributions under Section 5, subsection 1, paragraph B, a member shall be granted service credit for the period of time for which the contributions have been repaid. Upon making partial payment of the withdrawn contributions under Section 5, the member shall be granted service credit on a pro rata basis in accordance with rules adopted by the Board.

B. **Service Not under The Plan**. Upon complete payment of the contributions under Section 5, subsection 1, paragraph C, a member shall be granted service credit for the period of time for which the contributions have been paid. Upon making partial payment of the contributions under Section 5, the member shall be granted service credit on a pro rata basis in accordance with rules adopted by the Board.

C. **Contributions Withdrawn by Employees Not Covered by Social Security**. The granting of creditable service upon repayment of contributions, under section 5, subsection 1, paragraph E, that were withdrawn by a member who is an employee of a participating local district that is not covered under a Social Security Section 218 agreement but that has a plan that meets the requirements of 5 M.R.S. §18252-B is subject to the provisions of 5 M.R.S. §18252-A as amended by PL 2021, c. 90.

4. **Service in the Armed Forces**. Service credit for service in the Armed Forces of the United States is governed as follows:

A. **Service after Becoming a Member**. A member is entitled to service credit for the period of time during which the member's membership is continued under Section 3, subsection 5 under the following terms and conditions. Except as provided in subparagraph 3, service credit under this subsection is limited to 5 years.

(1) A member's separation from service in the Armed Forces of the United States must be under conditions other than dishonorable.

(2) A member is not entitled to service credit for military leave if the member's return to membership service is delayed beyond 90 days after separation from the service in the Armed Forces, unless the delay is caused by an illness or disability incurred in the service in the Armed Forces.

(3) A member may not receive service credit for military leave beyond the end of the period of first enlistment or induction or beyond 5 years from the date of original call to active duty in the Armed Forces, whichever is less, unless:

(a) The member's return to active duty in the Armed Forces or the extension of the period of service beyond 5 years is required by some mandatory provision; and

(b) The member presents proof of the return to or extension of service satisfactory to the Board.

B. **Service before Becoming a Member**. A member who served as a full-time active duty member of the Armed Forces of the United States before becoming a member of the Retirement System is entitled to service credit for the period of time the member served in the Armed Forces, under the following terms and conditions. Service credit

under this subsection is limited to 4 years.

(1) Except as provided in paragraph 6, on the date of retirement, the member must have at least 15 years of creditable service.

(2) The member must have separated from the Armed Forces under conditions other than dishonorable.

(3) Except as provided in subparagraph 4, the member must have begun membership before January 1, 1976.

(4) Except as provided in paragraph 6, a member who served in the Armed Forces during any federally recognized period of conflict, as defined in 5 M.R.S. §18360(2)(E), is entitled to service credit under this paragraph.

(5) Upon complete payment of the back contributions under Section 5, subsection 1, paragraph F, the member shall be granted service credit for the period of time for which the contributions have been made. Upon making partial payment of the back contributions under Section 5, the member shall be granted service credit on a pro rata basis in accordance with rules adopted by the board.

(6) **Alternative**. A member who fails to meet one or more of the terms and conditions required under paragraphs 1, 3 and 4 may purchase service credit as provided in this paragraph. The member must have at least 5 years of creditable service and, before any retirement benefit becomes effective for that member, must pay into the Members' Contribution Fund, an amount that, together with regular interest on that amount, is the actuarial equivalent, at the effective date of the retirement benefit, of the portion of the retirement benefit based on the additional creditable service. Any member who purchases service credit under this paragraph who subsequently, without inclusion of the purchased service credit and prior to retirement, meets the terms and conditions of paragraphs 1, 2 and 4 is entitled to purchase the service credit under Section 5, subsection 1, paragraph F and to receive a refund of the amount paid under this paragraph that exceeds the cost to purchase the service under Section 5.

5. **Out-of-state Service**. For members who began membership before January 1, 1976, additional service credit shall be allowed for out-of-state service, subject to the following conditions.

A. **20 Years of Creditable Service**. The member must have creditable service in the Retirement System of at least 20 years in the aggregate;

B. **Last 10 Years in Maine; 10 Year Limit**. The member's last 10 years of creditable service before the date of retirement must be in the State and no more than 10 years of service credit may be allowed for out-of-state service; and

C. **Payment of Contributions**. Upon complete payment of the back contributions under Section 5, subsection 1, paragraph H, subparagraph 2, the member shall be granted service credit for the period of time for which the contributions have been made. Upon making partial payment of the back contributions under Section 5, subsection 1, paragraph H, subparagraph 2, the member shall be granted service credit on a pro rata basis in accordance with rules adopted by the board.

D. **Alternative**. If service credit for out-of-state service is not allowed under paragraph A and B, service credit for out-of-state service shall be allowed if the member, before any retirement benefit becomes effective for that member, pays into the Members' Contribution Fund, an amount that, together with regular interest on that amount, is the actuarial equivalent, at the effective date of the retirement benefit, of the portion of the retirement benefit based on the additional creditable service. Payments must be made consistent with Chapter 406 (94-411 CMR 406) of the rules of the Board.

(1) Additional amounts paid under this subsection shall become a part of the member's accumulated contributions.

(2) If any retirement benefit becomes effective before the completion of the payment under this subsection, the member is entitled to service credit for that portion of the additional creditable service that the total amount of payments actually made, plus regular interest on those payments to the date the retirement benefit becomes effective, bears to the actuarial equivalent of the total portion of the retirement benefit based on the additional creditable service.

E. **Service Credit not to be Used in Another State**. Any application for a retirement benefit for which out-of-state service credit is to be granted must be accompanied by a certified statement from the appropriate retirement system that the out-of-state service credit granted has not been or will not be used to obtain benefits in another state.

6. **Disability Retirement Service Credit**. A recipient of a disability retirement benefit shall receive service credit for the purpose of determining benefits under The Plan for the period of time following termination of service during which disability retirement benefits are being received under 5 M.R.S. Chapter 425, subchapter V, article 3-A.

7. **Unused Sick Leave or Vacation Leave**

A. **Earnable Compensation.** A member’s earnable compensation does not include payment for unused accumulated or accrued sick leave, unused vacation time, or a combination of both, or any other payment that is not compensation for actual services rendered or that is not paid at the time the actual services are rendered, except that for a member with at least 20 years of creditable service under The Plan at the effective date of the member’s retirement, and for a recipient of a disability retirement benefit, earnable compensation includes payment for unused accumulated or accrued sick leave, unused vacation time, or a combination of both, up to a maximum of 30 days, if paid upon the member’s last termination before the member applies for retirement benefits.

B. **Service Credit.** A member may not receive service credit for unused accumulated or accrued sick leave, unused vacation leave, or a combination of both, for which a member is credited on termination of service, but for which the member does not receive payment, except under the following conditions.

(1) Leave, up to a lifetime maximum of 90 days, qualifies for service credit for a member with at least 20 years of creditable service under The Plan, before the application of this sub-paragraph, at the effective date of the member’s retirement.

(2) Leave, up to a lifetime maximum of 90 days, qualifies for service credit for a recipient of a disability retirement benefit, at the effective date of the member's disability retirement.

(3) Leave, including leave beyond 90 days, may qualify for service credit, up to the maximum number of days of leave, set by personnel rules or by contract, that a person is allowed to accumulate, if, the member, before any retirement benefit becomes effective for the member, pays into the Members' Contribution Fund, a single payment which is the actuarial equivalent, at the effective date of the member's retirement benefit, of the portion of the member's retirement benefit based on the additional creditable service beyond 90 days.

8. **Teachers in Private, Parochial and Other Schools**. A member who taught in a parochial school or in a public or private academy may purchase up to 10 years of service credit for that service under the following conditions.

A. The member must have taught in a school approved by the Department of Education or the education department of another state while holding an appropriate teaching certificate;

B. **20 Years of Creditable Service**. The member must have 20 years of creditable service as a member of the participating local district;

C. **Membership before January 1, 1976**. The member must have begun membership before January 1, 1976;

D. **Last 10 Years in Participating Local District**. The member's last 10 years of creditable service before the date of retirement must be as a member of the participating local district; and

E. **Payment of Contributions**. Upon complete payment of the back contributions under Section 5, subsection 1, paragraph K, subparagraph 2, the member shall be granted service credit for the period of time for which the contributions have been made. Upon making partial payment of the back contributions under Section 5, subsection 1, paragraph K, subparagraph 2, the member shall be granted service credit on a pro rata basis in accordance with rules adopted by the board.

F. **Alternative**. If service credit for private, parochial or other school service is not allowed under paragraphs B and C, additional service credit is allowed for any member who meets the requirements of paragraphs A and D, if the member, before any retirement benefit becomes effective for that member, pays into the Members' Contribution Fund an amount that, together with regular interest on that amount, is the actuarial equivalent, at the effective date of the retirement benefit, of the portion of the retirement benefit based on the additional creditable service. Payments must be made consistent with Chapter 406 (94-411 CMR 406) of the rules of the Board.

(1) Additional amounts paid under this subsection shall become a part of the member's accumulated contributions.

(2) If any retirement benefit becomes effective before the completion of the payment under this subsection, the member is entitled to service credit for that portion of the additional creditable service that the total amount of payments actually made, plus regular interest on those payments to the date the retirement

benefit becomes effective, bears to the actuarial equivalent of the total portion of the retirement benefit based on the additional creditable service.

9. **Other Schools and Programs**. A member who terminates service in the State and teaches under the Volunteers in Service to America Program, the Fulbright Exchange Program or the Peace Corps, foreign or domestic, or teaches children of United States Foreign Corps personnel outside the continental limits of the United States is entitled to service credit for that service under the following conditions.

A. **2 Year Limit**. The service credit may not exceed 2 years.

B. **Return to Active Service**. The member must return to active service as a member of the retirement system within one year of the completion of the teaching outside of the State described in this section.

C. **Payment of Contributions**. The member, before any retirement benefit becomes effective for that member, must pay into the Members' Contribution Fund an amount that, together with regular interest on that amount, is the actuarial equivalent, at the effective date of the retirement benefit, of the portion of the retirement benefit based on the additional creditable service. Payments must be made consistent with Chapter 406 (94-411 CMR 406) of the rules of the Board.

10. **Law enforcement service before becoming a member.** A member who served as a full-time law enforcement officer with a federal, state, county or local law enforcement agency before becoming a member, and who did not decline membership under section 3, subsection 2, during the period of prior law enforcement service, is entitled under this subsection to purchase service credit for the period of time that the member served as a law enforcement officer under the following conditions:

A. **15 years of creditable service.** The member must have at least 15 years of creditable service at the time of retirement.

B. **4 year limit.** Service credit purchased under this subsection is limited to 4 years.

C. **Service credit not to be used for other benefits.** The member must provide a certified statement from the appropriate retirement system that the service credit to be granted has not been and will not be used to obtain other retirement benefits.

D. **Payment of contributions.** The member must complete payment of contributions as required by Section 5, subsection 1, paragraph M.

(1) Additional amounts paid under this subsection shall become a part of the member's accumulated contributions.

(2) If any retirement benefit becomes effective before the completion of the payment under this subsection, the member is entitled to service credit for that portion of the additional creditable service that the total amount of payments actually made, plus regular interest on those payments to the date the retirement benefit becomes effective, bears to the actuarial equivalent of the total portion of the retirement benefit based on the additional creditable service.

11. **Nonmilitary public employee of the United States Government service.** A member who served as a nonmilitary public employee of the United States Government before becoming a member is entitled under this subsection to purchase service credit for the period of time that the member served as a nonmilitary public employee of the United States Government under the following conditions:

A. **5 year limit.** Service credit purchased under this subsection is limited to 5 years.

B. **Payment of contributions.** The member must complete payment of contributions as required by Section 5, subsection 1, paragraph N.

(1) Additional amounts paid under this subsection shall become a part of the member's accumulated contributions.

(2) If any retirement benefit becomes effective before the completion of payment under this subsection, the member is entitled to service credit for that portion of the additional creditable service that the total amount of payments actually made, plus regular interest on those payments to the date the retirement benefit becomes effective, bears to the actuarial equivalent of the total portion of the retirement benefit based on the additional creditable service.

## SECTION 7. REGULAR SERVICE RETIREMENT BENEFIT PLANS

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

1. **Regular Benefit Plan AC**. Regular Benefit Plan AC may be elected by any participating local district or local district.

A. **Contribution Rate**. Subject to Section 15, subsection 1, and the rate caps under Section 9, employer and employee contributions shall be set annually by the Board based on the recommendations of the System's actuary in accordance with the following:

(1) The Plan's unfunded actuarial liability as of June 30, 2018, shall be paid in an actuarially sound manner and allocated between the employer and employee in a ratio approved by the Board based on the recommendation of the Participating Local District Advisory Committee;

(2) Any Plan unfunded actuarial liability created beginning July 1, 2018, shall be paid through employer and employee contributions allocated 58% to the employer and 42% to the employee;

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

(4) Rates shall reflect any differences in actuarial assumptions and experience and shall be based on whether the member is subject to paragraphs B or B-1.

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

(1) The member is in service when reaching 60 years of age, or is in service after reaching 60 years of age, and has been in service for a minimum of one-year immediately before retirement or except as provided in sub-paragraph 4 has at least 10 years of creditable service, which may include creditable service as a member of the Legislative Retirement Program under 3 M.R.S. §701, sub-§8;

(2) The member is not in service when reaching 60 years of age, and except as provided in sub-paragraph 4 has at least 10 years of creditable service, which may include creditable service as a member of the Legislative Retirement Program under 3 M.R.S. §701, sub-§8; or

(3) The member has completed 25 or more years of creditable service, which may include, for the purpose of meeting eligibility requirements, creditable service as a member of the Legislative Retirement Program under 3 M.R.S. §701, sub-§8.

(4) The member has at least 5 years of creditable service, which, for the purpose of determining completion of the 5-year requirement, may include creditable service as a member of the Legislative Retirement Program, and:

(a) Was in service on October 1, 1999;

(b) Had left prior to October 1, 1999 with or without withdrawing contributions and on or after October 1, 1999 returned to service; or

(c) Was first in service on or after October 1, 1999.

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

(1) The member is in service when reaching 65 years of age, or is in service after reaching 65 years of age, and has been in service for a minimum of one year immediately before retirement or has at least 5 years of creditable service, which may include creditable service as a member of the Legislative Retirement Program under 3 M.R.S. §701, sub-§8;

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

(3) The member has completed 25 or more years of creditable service, which may include, for the purpose of meeting eligibility requirements, creditable service as a member of the Legislative Retirement Program under 3 M.R.S. §701, sub-§8.

C. **Computation of Benefit - Retirement at Normal Retirement Age or Later**. Subject to the requirements of Section 4, subsection 6, the total amount of the service retirement benefit for a member qualified under paragraph B, subparagraphs 1, 2 or 4 or under paragraph B-1, equals:

(1) 1/50 of the member's average final compensation multiplied by the number of years of creditable service under The Plan; and

(2) For members retiring prior to September 1, 2028, if the member had creditable service, with the member's current employer before that employer's employees were under The Plan, the benefit for that creditable service is calculated on the basis of:

(a) 1/50 of the member's average final compensation multiplied by the number of years of creditable service, if, before being under The Plan, the service retirement benefit for that employer's employees was based upon the 1/50 formula;

(b) 1/60 of the member's average final compensation multiplied by the number of years of creditable service, if, before being under The Plan, the service retirement benefit for that employer's employees was based upon the 1/60 formula; and

(c) 1/70 of the member's average final compensation multiplied by the number of years of creditable service, if, before being under The Plan, the service retirement benefit for that employer's employees was based upon the 1/70 formula.

For members retiring on or after September 1, 2028, the benefit will be calculated as if the service had been under The Plan.

(3) For members retiring prior to September 1, 2028, if the member had creditable service with an employer other than the member's current employer before becoming a member under The Plan for which the member's current employer has not accepted liability, and for which the member has not made the election under 5 M.R.S. §18253, sub-§1, paragraph E, the benefit for that creditable service is calculated on the basis of creditable service and earnable compensation with the previous employer and in accordance with the previous employer's regular service retirement plan immediately before the previous employer's employees became members under The Plan or the previous employer withdrew from the System. If the previous employer has neither begun participation in The Plan nor withdrawn from the System, the benefit is calculated on the basis of the previous employer's plan at the time of the member's retirement. For members retiring on or after September 1, 2028, the benefit will be calculated as if the service had been under The Plan.

(4) For members retiring prior to September 1, 2028, if the member has prior service credit, the benefit for that service is calculated on the basis of the applicable formula of paragraph C (2) above, as adopted by the district for prior service credit. For members retiring on or after September 1, 2028 the benefit will be calculated as if the service had been under The Plan.

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

(1) The amount of the service retirement benefit for a member qualified under paragraph B, subparagraph 3, who has 20 or more years of creditable service under The Plan as of July 1, 2019, shall be computed in accordance with paragraph C, except that:

(a) The amount arrived at under paragraph C shall be reduced by applying to that amount the percentage that a life annuity due at age 60 bears to the life annuity due at the age of retirement.

(b) For the purpose of making the computation under division a, the Board-approved tables of annuities in effect at the date of the member's retirement shall be used.

(2) The amount of the service retirement benefit for a member qualified under paragraph B-1, subparagraph 3, who, pursuant to Title 5, Section 18253, has 20 or more years of creditable service under The Plan as of July 1, 2019, shall be computed in accordance with paragraph C, except that the benefit is reduced by 6% for each year that the member’s age precedes 65 years of age.

(3) The amount of the service retirement benefit for all other members shall be computed in accordance with paragraph C, except that the amount arrived at under paragraph C shall be reduced to reflect the full actuarial impact of the early retirement.

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

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

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

3. **Regular Benefit Plan BC**. Regular Benefit Plan BC may be elected by any participating local district or local district which covers its employees under the Federal Social Security program under a Section 218 Agreement. Any current employee who was a member under a plan which provided benefits under the 1/50 or 1/60 formula with a cost of living adjustment may elect to be under Regular Benefit Plan A and any current employee who was under a plan which provided benefits under the 1/50 or 1/60 or 1/70 formula without cost of living adjustments may elect to be under Regular Benefit Plan AN. Regular Benefit Plans AC and AN require that members make contributions at the rate as set forth in subsections 1 and 2. For the purposes of this subsection, "current employee" means a person whose employment with a participating local district began prior to the date on which participation in The Plan for that district's employees begins and who is a member as an employee of that district on that date.

A. **Contribution Rate**. Employer and employee contribution rates are set in the same manner and subject to the same requirements as Regular Benefit Plan AC.

B. **Qualification for Benefit**. The requirements for a member to qualify for a service retirement benefit under this paragraph are exactly the same as under Regular Benefit Plan AC - subsection 1, paragraphs B and B-1.

C. **Computation of Benefit - Retirement at Normal Retirement Age or Later**. Subject to the requirements of Section 4, subsection 6, the total amount of the service retirement benefit for a member qualified as specified in subsection 1, paragraph B, subparagraph 1, 2 or 4 or under subsection 1, paragraph B-1 equals:

(1) 1/100 of the member's average final compensation multiplied by the number of years of membership service under The Plan; and

(2) For members retiring prior to September 1, 2028, if the member had creditable service, with the member's current employer before that employer's employees were under The Plan, the benefit for that creditable service is calculated on the basis of:

(a) 1/50 of the member's average final compensation multiplied by the number of years of creditable service, if, before being under The Plan, the service retirement benefit for that employer's employees was based upon the 1/50 formula;

(b) 1/60 of the member's average final compensation multiplied by the number of years of creditable service, if, before being under The Plan, the service retirement benefit for that employer's employees was based upon the 1/60 formula; and

(c) 1/70 of the member's average final compensation multiplied by the number of years of creditable service, if, before being under The Plan, the service retirement benefit for that employer's employees was based upon the 1/70 formula.

For members retiring on or after September 1, 2028, the benefit will be calculated as if the service had been under Regular Benefit Plan AC.

(3) For member retiring prior to September 1, 2028 if the member had creditable service with an employer other than the member's current employer before becoming a member under The Plan for which the member's current employer has not accepted liability, and for which the member has not made the election under 5 M.R.S. §18253, sub-§1, paragraph E, the benefit for that creditable service is calculated on the basis of creditable service and earnable compensation with the previous employer and in accordance with the previous employer's regular service retirement plan immediately before the previous employer's employees became members under The Plan or the previous employer withdrew from the System. If the previous employer has neither begun participation in The Plan nor withdrawn from the System, the benefit is calculated on the basis of the previous employer's plan at the time of the member's retirement. For members retiring on or after September 1, 2028, the benefit will be calculated as if the service had been under Regular Benefit Plan AC.

(4) For members retiring prior to September 1, 2028, if the member has prior service credit, the benefit for that service is calculated on the basis of the applicable formula of paragraph C (2) above, as adopted by the district for prior service credit. For members retiring on or after September 1, 2028, the benefit will be calculated as if the service had been under Regular Benefit Plan AC.

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

(1) The amount of the service retirement benefit for a member qualified as specified in subsection 1, paragraph B, subparagraph 3, who has 20 or more years of creditable service under The Plan as of July 1, 2019, shall be computed in accordance with paragraph C, except that:

(a) The amount arrived at under paragraph C shall be reduced by applying to that amount the percentage that a life annuity due at age 60 bears to the life annuity due at the age of retirement.

(b) For the purpose of making the computation under subparagraph 1, the board-approved tables of annuities in effect at the date of the member's retirement shall be used.

(2) The amount of the service retirement benefit for a member qualified under subsection 1, paragraph B-1, subparagraph 3, who, pursuant to Title 5, Section 18253, has 20 or more years of creditable service under The Plan as of July 1, 2019, shall be computed in accordance with subsection 1, paragraph C, except that the benefit is reduced by 6% for each year that the member’s age precedes 65 years of age.

(3) The amount of the service retirement benefit for all other members shall be computed in accordance with paragraph C, except that the amount arrived at under Paragraph C shall be reduced to reflect the full actuarial impact of the early retirement.

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

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

## SECTION 8. SPECIAL SERVICE RETIREMENT BENEFIT PLANS

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

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

A. **Contribution Rate**. Subject to Section 15, subsection 1, and to the rate caps under Section 9, employer and employee contributions shall be set annually by the Board based on the recommendations of the System's actuary in accordance with the following:

(1) The Plan's unfunded actuarial liability as of June 30, 2018, shall be paid in an actuarially sound manner and allocated between the employer and employee in a ratio approved by the Board based on the recommendation of the Participating Local District Advisory Committee;

(2) Any Plan unfunded actuarial liability created beginning July 1, 2018, shall be paid through employer and employee contributions allocated 58% to the employer and 42% to the employee; and

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

B. **Qualification for Benefit**

(1) A member qualifies for a service retirement benefit under this subsection when the member has completed 20 years of creditable service as an employee in one or more of the types of employment specified in this subsection and ~~specified by the district as covered~~ under this plan. If the member had creditable service under a special plan with the member's current employer before that employer's employees became members under The Plan, that creditable service is counted when determining the member's qualification for this benefit. A member in a position specified under this

plan may purchase creditable service under this plan if otherwise eligible regardless of whether the district has specified the employee's position as covered under this plan;

(2) A member who has accrued service credits under a regular service retirement plan before accruing service under this plan, and for whom the regular plan service credits are considered service under The Plan as provided by Section 4, subsection 1, may use those service credits toward qualifying to retire under this plan at the rate of one year of special plan service credit for each two years of regular plan service credit; and

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

(4) Service credits for law enforcement service before becoming a member, under Section 6, subsection 10, apply only to additional retirement benefits under this plan and the service credits do not apply to service requirements to qualify for retirement benefits.

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

(1) If the member had creditable service under a special plan, with the member's current employer, before that employer's employees became members under The Plan, that creditable service is used when calculating the benefit under this paragraph.

(2) For members retiring prior to September 1, 2028, if the member had creditable service with an employer other than the member's current employer before becoming a member under The Plan for which the member's current employer has not accepted liability, and for which the member has not made the election under 5 M.R.S. §18253, sub-§1, paragraph E, the benefit for that creditable service is calculated on the basis of creditable service and earnable compensation with the previous employer and in accordance with the previous employer's regular service retirement plan immediately before the previous employer's employees became members under The Plan or the previous employer withdrew from the System. If the previous employer has neither begun participation in The Plan nor withdrawn from the System, the benefit is calculated on the basis of the previous employer's plan at the time of the member's retirement. For members retiring on after September 1, 2028, credible service under this subparagraph is used when calculating the benefit under this paragraph.

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

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

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

3. **Special Benefit Plan 2C**. Special Benefit Plan 2C may be elected by any participating local district or local district for police officers, firefighters, sheriffs, full-time deputy sheriffs, county corrections employees who are employed at a county jail and whose duties include contact with prisoners or juvenile detainees, emergency medical services persons as defined in Title 32 M.R.S. §83, sub-§12, including but not limited to first responders, emergency medical technicians, advanced emergency medical technicians and paramedics, and dispatchers as defined in 5 M.R.S. §18313, sub-§1. A district may also elect this plan for all of its employees.

A. **Contribution Rate**. Subject to Section 15, subsection 1, and to the rate caps under Section 9, employer and employee contributions shall be set annually by the Board based on the recommendations of the System's actuary in accordance with the following:

(1) The Plan's unfunded actuarial liability as of June 30, 2018, shall be paid in an actuarially sound manner and allocated between the employer and employee in a ratio approved by the Board based on the recommendation of the Participating Local District Advisory Committee;

(2) Any Plan unfunded actuarial liability created beginning July 1, 2018, shall be paid through employer and employee contributions allocated 58% to the employer and 42% to the employee; and

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

B. **Qualification for Benefit**

(1) A member qualifies for a service retirement benefit under this subsection when the member has completed 25 years of creditable service as an employee in one or more of the types of employment specified in this subsection and ~~specified by the district as covered~~ under this plan. If the member had creditable service under a special plan with the member's current employer before that employer's employees became members under The Plan, that creditable service is counted when determining the member's qualification for this benefit. A member in a position specified under this plan may purchase creditable service under this plan if otherwise eligible regardless of whether the district has specified the employee's position as covered under this plan; and

(2) A member who has accrued service credits under a regular service retirement plan before accruing service under this plan, and for whom the regular plan service credits are considered service under The Plan as provided by Section 4, subsection 1, may use those service credits toward qualifying to retire under this plan at the rate of two years of special plan service credit for each three years of regular plan service credit.

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

(1) If the member had creditable service under a special plan, with the member's current employer, before that employer's employees became members under The Plan, that creditable service is used when calculating the benefit under

this paragraph.

(2) For members retiring prior to September 1, 2028, if the member had creditable service with an employer other than the member's current employer before becoming a member under The Plan for which the member's current employer has not accepted liability, and for which the member has not made the election under 5 M.R.S. §18253, sub-§1, paragraph E, the benefit for that creditable service is calculated on the basis of creditable service and earnable compensation with the previous employer and in accordance with the previous employer's regular service retirement plan immediately before the previous employer's employees became members under The Plan or the previous employer withdrew from the System. If the previous employer has neither begun participation in The Plan nor withdrawn from the System, the benefit is calculated on the basis of the previous employer's plan at the time of the member's retirement. For members retiring on or after September 1, 2028, credible service under this subparagraph is used when calculating the benefit under this paragraph.

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

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

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

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

A. **Contribution Rate**. The contribution rate for members under Special Benefit Plan 3C is as set out below until the completion of 25 years of creditable service under this special benefit plan, after which the members contribute at the same rate of earnable compensation as paid by members who contribute under Regular Plan AC as set forth in Section 7, subsection 1, paragraph A. Subject to Section 15, subsection 1, and to the rate caps under Section 9, employer and employee contributions shall be set annually by the Board based on the recommendations of the System's actuary in accordance with the following:

(1) The Plan's unfunded actuarial liability as of June 30, 2018, shall be paid in an actuarially sound manner and allocated between the employer and employee in a ratio approved by the Board based on the recommendation of the Participating Local District Advisory Committee;

(2) Any Plan unfunded actuarial liability created beginning July 1, 2018, shall be paid through employer and employee contributions allocated 58% to the employer and 42% to the employee; and

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

B. **Qualification for Benefit**

(1) A member qualifies for a service retirement benefit under this subsection when the member has completed 25 years of creditable service as an employee in one or more of the types of employment specified in this subsection and ~~specified by the district as covered~~ under this plan. If the member had creditable service under a special plan with the member's current employer before that employer's employees became members under The Plan, that creditable service is counted when determining the member's qualification for this benefit. A member in a position specified under this plan may purchase creditable service under this plan if otherwise eligible regardless of whether the district has specified the employee's position as covered under this plan; and

(2) A member who has accrued service credits under a regular service retirement plan before accruing service under this plan, and for whom the regular plan service credits are considered service under The Plan as provided by Section 4, subsection 1, may use those service credits toward qualifying to retire under this plan at the rate of two years of special plan service credit for each three years of regular plan service credit.

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

(1) If the member had creditable service under a special plan, with the member's current employer, before that employer's employees became members under The Plan, that creditable service is used when calculating the benefit under this paragraph.

(2) For members retiring prior to September 1, 2028, if the member had creditable service with an employer other than the member's current employer before becoming a member under The Plan for which the member's current employer has not accepted liability, and for which the member has not made the election under 5 M.R.S. §18253, sub-§1, paragraph E, the benefit for that creditable service is calculated on the basis of creditable service and earnable compensation with the previous employer and in accordance with the previous employer's regular service retirement plan immediately before the previous employer's employees became members under The Plan or the previous employer withdrew from the System. If the previous employer has neither begun participation in The Plan nor withdrawn from the System, the benefit is calculated on the basis of the previous employer's plan at the time of the member's retirement. For members retiring on or after September 1, 2028, credible service under this subparagraph is used when calculating the benefit under this paragraph.

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

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

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

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

A. **Contribution Rate**. The contribution rate for members under Special Benefit Plan 4C is as set out below until the completion of 25 years of creditable service under this special benefit plan, after which the members contribute at the same rate of earnable compensation as paid by members who contribute under Regular Plan AC as set forth in Section 7, subsection 1, paragraph A. Subject to Section 15, subsection 1, and to the rate caps under Section 9, employer and employee contributions shall be set annually by the Board based on the recommendations of the System's actuary in accordance with the following:

(1) The Plan's unfunded actuarial liability as of June 30, 2018, shall be paid in an actuarially sound manner and allocated between the employer and employee in a ratio approved by the Board based on the recommendation of the Participating Local District Advisory Committee;

(2) Any Plan unfunded actuarial liability created beginning July 1, 2018, shall be paid through employer and employee contributions allocated 58% to the employer and 42% to the employee; and

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

B. **Qualification for Benefit**

(1) A member qualifies for a service retirement benefit under this subsection when the member has completed 25 years of creditable service as an employee in one or more of the types of employment specified in this subsection and ~~specified by the district as covered~~ under this plan. If the member had creditable service under a special plan with the member's current employer before that employer's employees became members under The Plan, that creditable service is counted when determining the member's qualification for this benefit. A member in a position specified under this plan may purchase creditable service under this plan if otherwise eligible regardless of whether the district has specified the employee's position as covered under this plan; and

(2) A member who has accrued service credits under a regular service retirement plan before accruing service under this plan, and for whom the regular plan service credits are considered service under The Plan as provided by Section 4, subsection 1, may use those service credits toward qualifying to retire under this plan at the rate of two years of special plan service credit for each three years of regular plan service credit.

C. **Computation of Benefit**. Subject to the requirements of Section 4, subsections 5 and 6, the total amount of the service retirement benefit for a member qualified under paragraph B, equals:

(1) If the member retires after reaching age 55, 1/50 of the member's average final compensation multiplied by the number of years of creditable service;

(2) If the member retires before reaching age 55, 1/50 of the member's average

final compensation multiplied by the number of years of creditable service reduced as follows:

(a) For a member who was covered by The Plan prior to July 1, 2014, who has 20 or more years of creditable service under The Plan as of July 1, 2019, the benefit is reduced by applying to that amount the percentage that a life annuity due at age 55 bears to the life annuity due at the age of retirement.

(b) For a member who was not covered by The Plan prior to July 1, 2014, but who, pursuant to Title 5, Section 18253, has 20 or more years of creditable service under The Plan as of July 1, 2019, the benefit is reduced by 6% for each year that the member's age precedes 55 years of age.

(c) For all other members, the benefit is reduced to reflect the full actuarial impact of the early retirement.

(3) If the member had creditable service under a special plan, with the member's current employer, before that employer's employees became members under The Plan, that creditable service is used when calculating the benefit under this paragraph.

(4) For members retiring prior to September 1, 2028, if the member had creditable service with an employer other than the member's current employer before becoming a member under The Plan for which the member's current employer has not accepted liability, and for which the member has not made the election under 5 M.R.S. §18253, sub-§1, paragraph E, the benefit for that creditable service is calculated on the basis of creditable service and earnable compensation with the previous employer and in accordance with the previous employer's regular service retirement plan immediately before the previous employer's employees became members under The Plan or the previous employer withdrew from the System. If the previous employer has neither begun participation in The Plan nor withdrawn from the System, the benefit is calculated on the basis of the previous employer's plan at the time of the member's retirement. For members retiring on or after September 1, 2028, credible service under this subparagraph is used when calculating the benefit under this paragraph.

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

8. **Special Benefit Plan 4N**. Special Benefit Plan 4N may be elected by any participating local district or local district prior to February 1, 2024.

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

9. **Transfer from Special Plan Position to Non-Special Plan Position Due to Disability**. A member who has not completed the service requirements for retirement under a special service retirement benefit plan, upon becoming disabled as defined in section 18521, and upon becoming reemployed in a position not under a special service retirement benefit plan shall upon retirement receive retirement benefits as follows:

A. The part of the member's service retirement based upon membership service before becoming disabled shall be computed according to the formula for computing benefits under the member's previous special plan.

B. The part of the member's service retirement based upon membership service after becoming reemployed in a position not under a special plan shall be computed according to the formula for computing benefits under the member's previous special plan.

C. If the member is found to be no longer disabled, as defined in section 18521, the member may:

(1) Return to a position in the member's previous special plan; or

(2) Remain in the position which is not under a special plan and have the part of the member's service retirement benefit based upon post-disability service computed in accordance with the applicable regular service retirement benefit plan under Section 7.

D. The executive director may require that a member subject to this subsection submit records and undergo medical examinations or tests to determine the member's disability for purposes of paragraph C.

(1) If the member refuses to submit records or undergo the examination or tests under this paragraph, the member's retirement benefit shall be based upon the applicable regular service retirement benefit plan under Section 7 until the member withdraws the refusal.

(2) If the member's refusal under subparagraph 1 continues for one year, all the member's rights to any further benefit under this subsection shall cease.

10. **Additional 2% Benefit**. For members retiring prior to September 1, 2028, the additional 2% of average final compensation benefit provided to members under the special service retirement plans in this section is applicable only to service credits earned with relation to service rendered after a member becomes a member under The Plan. A member is also entitled to this benefit for service rendered before becoming a member under The Plan to the extent that the member was entitled to the benefit under the member's current employer's retirement plan that was in effect immediately before the employer's employees became members under The Plan. For members retiring on or after September 1, 2028, the benefit will be calculated as if the service had been under The Plan.

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

1. **Cost of Living Adjustments.** Subject to subsections 2, 3, 4 and 5, the cost-of-living adjustment shall be determined as follows.

A. Except as provided in subsections 2, 3 and 4, whenever there is a percentage increase in the Consumer Price Index from July 1 of the previous year to June 30 of the current year, the Board shall automatically make an equal percentage increase in retirement benefits, beginning in September, up to a maximum annual increase of 2.5%.

B. If there is a percentage decrease in the Consumer Price Index from July 1st to June 30th, the Board shall set the percentage change at 0% for that September. The adjustment for the following year must be set based on the actuarially compounded Consumer Price Index for both years in a cost-neutral manner. If the Consumer Price Index in the subsequent year or years is not sufficient to allow for the adjustment to be cost-neutral for the 2 years, then the adjustment needed for cost-neutrality must continue to be applied to following years until such time as the cost-neutrality requirement is met.

C. The Board shall determine the costs of the adjustments under this Section and shall include those costs in the annual valuation.

D. Cost-of-living adjustments under this Section shall be applied to the retirement benefits of retirees as follows:

(1) For retirees who retire prior to September 1, 2019, a cost-of-living adjustment is applied if the retiree has been retired for at least 12 months before the date that the adjustment becomes payable.

(2) For retirees who retire on or after September 1, 2019, a cost-of-living adjustment is applied if the retiree has been retired for at least 24 months before the date that the adjustment becomes payable. Beneficiaries of deceased retirees shall be eligible for the cost-of-living adjustment at the same time the deceased retiree would have become eligible.

2. **Contribution Caps.** The employer and employee contribution rates, as calculated in the aggregate across all benefit plans in The Plan, are capped at 12.5% and 9%, respectively. If the rates calculated by the System's actuary would exceed the caps for a particular year, the following shall occur:

A. The aggregated employer and employee rates will be reduced to the cap amounts, and the Board will set individual benefit plan rates based on the System's actuary's recommendation for allocating the reductions.

B. The cost of living adjustment calculated under subsection 1 shall be reduced to maintain cost-neutrality, but not below zero. If the reduction otherwise would have been below zero, then an adjustment will be applied to contribution rates, up to the caps set forth in this subsection, and the cost of living adjustment, but not below zero, in following years until such time as cost-neutrality is achieved.

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

4. Notwithstanding subsection 1, paragraph A, the cost-of-living adjustment for the period from September 1, 2022 through August 31, 2023 shall be 3.5%.

5. In addition to the cost-of-living adjustment under subsection 1, paragraph A, a one-time noncumulative cost-of-living adjustment payment equal to 0.5% of retirement benefits will be paid to those eligible for a cost-of-living adjustment for the period from September 1, 2023 through August 31, 2024.

## SECTION 10. DISABILITY BENEFITS

1. **Members of The Plan**. Disability retirement benefits for members under The Plan are subject to 5 M.R.S., Chapter 425, subchapter V, *Benefits*, Article 3-A, *Disability Retirement Benefits After September 30, 1989*, as amended by PL 2025, chapters 221 and 270, except section 18534.

2. **Election Regarding Age-limit or No-age-limit Disability**. The election made by each member under PL 1991, c. 887 whether to be covered under age-limit or no-age-limit

disability remains in effect after a member's participation in The Plan begins. Depending upon a member's election, the member is covered under the age-limit or no-age-limit version of the disability plan specified in this Section.

3. **Current Recipients of Disability Benefits**. After having begun to participate in The Plan, a participating local district which before participating in The Plan did not have as part of its plan 5 M.R.S., Chapter 425, subchapter V, *Benefits*, Article 3-A, *Disability Retirement Benefits After September 30, 1989*, may elect to adopt 5 M.R.S. §18534, thereby allowing its former employees who are recipients of disability retirement benefits under prior law the option of being governed by disability retirement provisions applicable to members under The Plan. Any former employee of a district which adopts §18534 who is a recipient of a disability retirement benefit under 5 M.R.S., Article 3, as in effect immediately before October 1, 1989, or under section 1122 of the former retirement system law, as in effect immediately before July 1, 1977, may elect to be governed by 5 M.R.S., Chapter 425, subchapter V, *Benefits*, Article 3-A, by making written application to the executive director within 6 months after adoption of this provision by the participating local district. If the disability retirement benefit recipient makes the election, Article 3-A shall apply from the date of the recipient's original eligibility for disability retirement, but any increase in benefits may only be granted from the date of election by the recipient. The district's adoption and the recipient's election are irrevocable. The additional liability resulting from the adoption of this provision will be included in the district's Additional Unpooled Unfunded Actuarial Liability.

## SECTION 11. ORDINARY DEATH BENEFITS

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

## SECTION 12. ACCIDENTAL DEATH BENEFITS

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

   A. **Professional firefighter**. “Professional firefighter” means an employee of a municipal fire department who is a member of the Participating Local District Retirement Program or who is a participating member under chapter 425 and who aids in the extinguishment of fires, whether or not the employee has other administrative duties.

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

      (1) A member who dies as a result of an injury arising out of and in the course of employment as an employee;

      (2) After October 31, 2004, an active member who is a professional firefighter who dies as a result of an injury or disease as described in Title 39-A, section 328 if the injury or disease that causes the death is the result of a condition that develops within 30 days of the active member’s participating in firefighting or training or a drill that involves firefighting. If the professional firefighter dies after 30 days but within 6 months of participating in firefighting or training or a drill that involves firefighting, there is a rebuttable

presumption that the death is the result of an injury arising out of and in the course of employment as a professional firefighter; or

(3) A former member receiving a disability retirement benefit who dies as a result of an injury arising out of and in the course of employment as an employee.

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

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

A. **Surviving spouse; no dependent children**. If the qualifying member is survived by a spouse and no dependent child, the surviving spouse shall be paid 2/3 of the average final compensation of the qualifying member.

B. **Surviving spouse having care of dependent children**. If the qualifying member is survived by a spouse who has the care of the dependent child or dependent children of the qualifying member, the surviving spouse shall be paid an annual sum equal to the average final compensation of the qualifying member.

C. **Surviving spouse not having care of dependent children**. If the qualifying member is survived by a spouse who does not have the care of the dependent child or dependent children of the qualifying member, the surviving spouse shall share with the dependent child or dependent children an annual sum equal to the average final compensation of the qualifying member, the benefit to be divided equally among the surviving spouse and the dependent child or dependent children.

D. **No surviving spouse**. If no spouse survives the qualifying member, the dependent child or dependent children shall be paid an annual sum equal to the average final compensation of the qualifying member.

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

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

A. **Cessation of eligibility**. When a person sharing benefits under section 18603 ceases to be eligible to receive benefits, the subsequent benefits of the remaining beneficiaries shall be recalculated as if the remaining beneficiaries had been the only beneficiaries to survive the qualifying member.

B. **Workers' compensation or similar law**. The amount payable under this section must be reduced by any amount received by the surviving spouse and dependent child or dependent children under former Title 39, the *Workers' Compensation Act* or Title 39-A, Part 1, the *Maine Workers' Compensation Act of 1992*, or a similar law.

(1) Lump-sum settlements of benefits that would reduce the accidental death benefits under this subsection must be prorated on a monthly basis in an equitable manner prescribed by the board.

(2) The prorated lump-sum settlement amounts must reduce the accidental death benefits payable monthly under this section.

C. **Cost-of-living adjustments**. Benefits under this section are subject to adjustment as provided in section 9.

6. **Termination of Benefits**. The benefits under this section shall be paid to:

A. **Surviving spouse**. The surviving spouse until the spouse dies; and

B. **Dependent children**. The dependent child or dependent children until they die or until they no longer meet the definition of "dependent child" under section 17001, subsection 12.

## SECTION 13. DEFINED CONTRIBUTION/DEFERRED COMPENSATION PLANS

1. **Defined Contribution/Deferred Compensation Plans**. A participating local district may provide for the participation of its employees in a defined contribution and/or deferred compensation plan or plans for which the System is The Plan Sponsor. To provide for its employees' participation, the participating local district employer must comply with the procedure for adoption set out in paragraph 6.

2. **District is Employer**. For all purposes related to such a plan or plans, the participating local district is the employer of its employees who participate in the plan or plans.

3. **Federal Law Requirements**. The plan or plans for which the System is Plan Sponsor must meet all applicable federal law requirements.

4. **Terms and Requirements of Plan**. The rights, obligations, conditions and terms of each plan or plans for which the System is Plan Sponsor are those provided in the relevant Plan Document, as revised or amended from time to time.

5 **Plan under 5 MRSA Section 18252-B**. Adoption of a plan or plans under this section does not by itself satisfy the requirements of 5 M.R.S. §18252-B. A participating local district that intends a plan or plans that it adopts under this section to comply with 5 M.R.S. §18252-B must also meet that section's requirements.

6. **Procedure for Adoption**

A. **Adoption Agreement**. A participating local district that acts to adopt a plan or plans under this section must complete the relevant Adoption Agreement or Agreements in a form provided or authorized by the System. An Adoption Agreement constitutes documentation of the participating local district's decision to adopt the plan to which the Agreement applies and signifies its understanding and acceptance of the provisions of the plan as set out in The Plan Document.

B. **401(a) Plan: Contribution Rates**. In the case of a plan established in accordance with the requirements of Section 401(a) of the United States Internal Revenue Code of 1986, as amended,

(1) the Adoption Agreement must specify the required employee contribution as established by the participating local district employer and the employer contribution, if any; and

(2) the participating local district may change the amount of the required employee contribution annually, effective July 1 immediately following its decision to change the amount. The participating local district must document the change by amending its Adoption Agreement to state the new required employee contribution amount. An employee already participating in the district's 401(a) plan at the time the required employee contribution amount is changed must change to the new required contribution amount.

7. **Disability Retirement Benefits: Participants in a 401(a) Plan who are Not Members under The Plan**

A. **Applicability**. Employees who are participants in a 401(a) plan under this section and who are not members under The Plan are covered in the event of disability as set out in paragraph B.

B. **Disability Retirement Program**. The disability retirement program established under this paragraph is that established by section18521 *et seq*. and implemented by the System's related rules and policies, including but not limited to the disability application, determination and review processes, and standards for benefit eligibility and standards for continuation of benefits.

(1) Title 5 M.R.S. §18524, sub-§2, applies to an employee with fewer than 5 years of participation in the 401(a) plan.

(2) Except as provided in subparagraph 3, the amount of the disability retirement benefit is 60% of the participant's annual compensation being paid at the time the participant became disabled, subject to adjustment as provided by 5 M.R.S. §18407 and this chapter.

(3) A participant who is found eligible for a disability retirement benefit and who terminates employment may elect to withdraw the balance of the participant's 401(a) account. If such a withdrawal includes employer contributions made on behalf of the participant, the disability retirement benefit will be actuarially adjusted so that the participant receives a disability retirement benefit of not more than the amount specified in subparagraph 2.

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

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

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

purposes of this section, earnable compensation does not include Workers' Compensation earnings paid to the person.

**SECTION 15. TRANSITION**

1. **Rates.** Employer and employee rates for July 1, 2018, through June 30, 2019, shall be the rates set under this Rule prior to the amendment effective July 1, 2018. The transition from those rates to the rates calculated pursuant to Sections 7 and 8 shall be accomplished by smoothing in the new rates over an actuarially sound period.

2. **Unused Sick Leave or Vacation Leave.** Section 6, subsection 7, applies to those with a retirement effectiveness date on or after August 1, 2019.

3. **Retiring and Returning to Work.** Section 14 does not apply to a retiree employed by a participating local district on October 1, 2018, until the earlier of termination of employment or June 30, 2021.

4. **Membership Election.** The one-time election to join The Plan by November 1, 2021 under PL 2021, c. 286, § 6 applies only to employees of participating local districts who specifically adopt that provision in their participation agreement prior to November 1, 2021, or at the next meeting of the participating local district's executive or legislative body, whichever is later. For participating local districts adopting the provision on or after November 1, 2021, the one-time election date shall be such later date stated in the amended participation agreement.

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

EFFECTIVE DATE:
May 11, 1993

AMENDED:
July 20, 1993
May 6, 1995
April 1, 2001
September 28, 2002
January 17, 2004
October 12, 2004
October 29, 2005 – filing 2005-449
October 9, 2006 – filing 2006-433
February 1, 2011 – filing 2011-45
December 9, 2013 – filing 2013-295 (header corrected March 7, 2016)
June 5, 2016 – filing 2016-099
August 30, 2017 – filing 2017-133
May 26, 2018 – filing 2018-082
September 19, 2018 – filing 2018-188
June 24, 2019 – filing 2019-101
November 4, 2019 – filing 2019-189
July 18, 2020 – Section 16 added, filing 2020-160
November 25, 2020 – filing 2020-236
October 4, 2021 – filing 2021-197

July 23, 2022 – filing 2022-137
January 24, 2023 – filing 2023-011
APAO ACCESSIBILITY CHECK: September 2, 2025

AMENDED:
September 2, 2025 – filing 2025-170

APAO ACCESSIBILITY CHECK (Word):
February 20, 2026 (no issues detected)

AMENDED:
February 24, 2026 – filing 2026-053

**BASIS STATEMENT FOR ADOPTION OCTOBER 8, 2026/STATEMENT OF COMMENTS**

Notice of this proposed rulemaking was published August 19, 2026. This rule chapter establishes a consolidated retirement plan, as required by 5 M.R.S. §18801 et seq. for local districts that are participating local districts under 5 M.R.S., Chapter 425 before the date the plan is put into operation and for local districts that enter into agreements for the participation of their employees in the Maine Public Employees Retirement System after The Plan is put into operation. The proposed amended rule Chapter includes language to conform with the definition of part-time, seasonal and temporary employees under federal law and expands the ability of eligible members to purchase Special Plan service credit.

A public hearing was held on September 10, 2026. No members of the public offered testimony at the public hearing either in person or remotely. No written comments were received by the September 21, 2026, deadline.

Staff recommends adoption of the proposed amended rule. The Board concurs with this recommendation.

At the Board's regular meeting held on October 8, 2026, _____ made the motion, seconded by _____, to adopt the amendment to the rule and its basis statement. Voted _____.

# PROPOSED REVISED RULE – OCTOBER 2026

**94-411 MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM (MainePERS)**

**Chapter 204: WAIVER OF ~~MEMBER~~ PAYMENT REQUIREMENT WHERE CAUSED BY ~~EMPLOYER~~ ERROR OR OMISSION**

**SUMMARY**: This Chapter establishes standards for determining whether to grant a waiver under 5 M.R.S. §§ 17054(3), 17103(6) to a member, ~~or~~ retiree, or benefit recipient who, without the waiver, would be required to make payments to the Maine Public Employees Retirement System ("MainePERS") because of an ~~employer~~ error or omission.

## SECTION 1. CRITERIA

In order to avoid imposing hardship on members, retirees, and benefit recipients while efficiently safeguarding ~~and maximize~~ the assets available for the payment of retirement and related benefits, waivers will be granted under 5 M.R.S. §§ 17054(3), 17103(6) ~~only~~ in ~~extraordinary circumstances meeting each of~~accordance with the following ~~criteria~~:

1. The payment obligation will be waived if the amount to be recovered is no more than $250.~~The member or retiree seeking the waiver did not cause or substantially contribute to the employer's error or omission;~~

2. Interest will not be charged if the payment obligation is the result of a mistake of or incorrect information provided by an employee of the retirement system or an employer or is the result of a ~~good faith~~ mistake by a member, retiree, or benefit recipient.

   The payment obligation will be delayed, satisfied over time, or waived to the extent that requiring payment would be unreasonable or create financial hardship upon consideration of the personal economic stability of the member, retiree, or benefit recipient.~~The member or retiree seeking the waiver could not have prevented the employer's error or omission through reasonable actions;~~

~~3. The member or retiree seeking the waiver took reasonable steps to timely discover and mitigate the error;~~

~~4. The member or retiree seeking the waiver cooperated with any action that MainePERS has taken to recover the payment from the employer;~~

~~5. Granting a waiver would not have a significant adverse effect on MainePERS or any of the programs administered by MainePERS; and~~

6~~3~~. ~~Failing to grant a waiver would cause a serious, not reasonably avoidable financial hardship to the member or retiree seeking the waiver.~~ In making this determination, the following factors must be considered:

   A. The total amount of the payment required;

   B. The amount of each installment payment if the payment may be made over time;

C. The member, ~~or~~ retiree~~'s,~~ or benefit recipient's personal and family income, earning potential, and assets; and

D. The amount required for the member, ~~or~~ retiree, or benefit recipient to pay for living necessities.~~; and~~

~~E. Whether the member or retiree received or will receive a benefit associated with the payment obligation.~~

~~**SECTION 2. WAIVER AMOUNT**~~

~~If a waiver is granted, the payment amount waived must be limited to that necessary to avoid a serious financial hardship to the member or retiree under the factors set forth in Section 1, subsection (6), above.~~

**SECTION ~~3~~2. PROCEDURE**

1. A request for a waiver must be submitted in writing to MainePERS~~the Executive Director within 30 days after receiving notice of the payment obligation and the process for requesting a waiver. The request must be accompanied by documentary proof establishing the criteria set forth in Section 1~~.

2. The member, ~~or~~ retiree, or benefit recipient seeking the waiver must fully cooperate with ~~the Executive Director's~~MainePERS' review of the request and promptly provide any ~~additional~~ relevant information requested by ~~the Executive Director~~MainePERS.

3. The submission of a waiver request suspends the payment obligation until the ~~Executive Director or the Executive Director~~Chief Executive Officer or their designee issues a written decision on the waiver request.

4. The ~~Executive Director or the Executive Director's~~Chief Executive Officer or their designee will issue a written decision on the waiver request. If the ~~decision is a denial of the request, the~~ member or retiree, or benefit recipient seeking the waiver is aggrieved by the decision, they may appeal to the Board of Trustees pursuant to 5 M.R.S. §17451. The waiver request and any appeal of the request decision may be decided in conjunction with the determination of the underlying payment obligation.

STATUTORY AUTHORITY: 5 M.R.S. §17103(4)

EFFECTIVE DATE:
May 8, 2016 – filing 2016-081

**BASIS STATEMENT FOR ADOPTION OCTOBER 8, 2026/STATEMENT OF COMMENTS**

Notice of this proposed rulemaking was published August 19, 2026. This rule sets forth the standards for determining whether to grant a waiver under 5 M.R.S. §§17054(3) and 17103(6) to a member or retiree who, without the waiver, would be required to make payments to the Maine Public Employees Retirement System because of an employer error or omission. The proposed amendment expands the application of the rule to include all benefit recipients and errors beyond just those made by employers.

A public hearing was held on September 10, 2026. One member of the public offered testimony at the hearing in person[1], none offered testimony remotely. This member of the public as well as an additional member of the public[2] also offered written comments on the proposed amended rule. [3]Both commenters voiced support for the amendments to the Rule.

One commentor[4] voiced concerns about actuarial assumptions, administrative practices, advocated for further retroactive payments contrary to legislation enacted in 2025 and beyond the scope of the proposed amended rule, and described personal experiences.

Both commentors[5] also suggested additions to the rule that are outside the intended scope of the rule, such as providing accommodations to members and review of accounts for errors. Both commentors suggested changes to the existing language of the rule to add definitions and add additional process outside of the scope of the proposed amendment. Both commentors suggested restatements or citations to statutes related to the proposed amended language. The proposed amended rule is intended to leverage an existing rule in existence for approximately 10 years related to employers to provide a simple and straight-forward process for members, retirees and benefit recipients to request waivers.

Suspension of the collection of an obligation pending a decision of the Board is suggested by both commentors. Suspension by the Board is provided by the existing rule. There are further suggestions made that are part of the existing rule and are unchanged by the proposed amended rule. Both commentors suggest including provisions in the proposed amended rule that are contained within the proposed amended rule.

One commentor[6] suggested restricting the information that may be requested by the System and the type of information to be considered when deliberating upon a waiver request. The suggestion is outside the scope of the proposed amended rule. Further, the prohibition would not allow the System to fully consider a request for a waiver. The same commentor suggests specifying the role of responsibility in waiver decisions. Responsibility for an error is no longer relevant under the proposed amendment.

The same commentor also suggested that the rule address the waiver of an obligation. The amended language addresses the waiver of an obligation. The commentor proposes that the rule stipulate that decisions be written and recommended a certain format; the existing rule requires that decisions be in written form. This is unchanged by the proposed amendment to the rule. Changes to the financial factors

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[1] Susan Hawes, Portland
[2] Wendy Fenderson, Limerick
[3] Susan Hawes, Portland, Wendy Fenderson, Limerick
[4] Susan Hawes, Portland
[5] Susan Hawes, Portland, Wendy Fenderson, Limerick
[6] Susan Hawes, Portland

used to evaluate waivers are suggested by the commentor. These factors are outside the scope of the proposed amendment and are the framework that has been used by the System for a decade providing certainty and consistency.

The same commentor suggests limitations to the type and amount and source of information that the System may request or consider as part of the waiver process. Overall, MainePERS has drafted the proposed rule amendment to provide the process and outcome most favorable to members. MainePERS retains the flexibility to decide these questions in the manner and light most favorable to the member. The commentor alleges that the statutory authority cited for the existing rule is incomplete. The cited authority[7] establishes the Board's authorization to undertake rulemaking necessary for the administration and operation of the System.

One commentor[8] suggests clarification of the application of the amended rule to existing obligations. The rule addresses waivers, not obligations and will apply to all new waiver requests on matters not previously decided.

One commentor[9] suggests removing "good faith" before "mistake and both commentors[10] propose clarifying that benefit recipients may appeal a waiver decision.

Based on consideration of the comments received, staff recommends (1) clarification of the amendment in section 2, subsection4 to make clear that aggrieved members, retirees and benefit recipients may appeal a waiver decision; and (2) striking the phrase "good faith" before "mistake" in section 1, subsection 2 of the proposed amended rule. These modifications do not substantially change the rule as proposed.

The Board concurs with this recommendation.

At the Board's regular meeting held on October 8, 2026, _____ made the motion, seconded by _____ to adopt the amendment to the rule and its basis statement. Voted _____.

[7] 5 M.R.S. §17103(4)
[8] Wendy Fendeson, Limerick
[9] Susan Hawes, Portland
[10] Susan Hawes, Portland, Wendy Fenderson, Limerick

# PUBLIC COMMENTS ON PROPOSED AMENDMENTS TO CHAPTER 204

Waiver of Payment Requirement Where Caused by Error or Omission

Submitted by: Wendy L. Fenderson, Limerick, Maine
Date: September 13, 2026

I support the proposed expansion of Chapter 204 beyond employer errors and to other benefit recipients. These are important changes.

I respectfully request several additional changes to make the protections in Chapter 204 clear, consistent, and enforceable.

## COMMENT 1 - PROPOSED §1(1)-(2) AND §2(1), (4)

**Clarify whether the amended rule applies to existing and pending payment obligations.**

The proposed amendments expand who may receive relief and the circumstances in which relief may be available. However, the rule does not clearly state how those expanded protections apply to payment obligations that already exist when the amended rule becomes effective.

That distinction matters for people who are already repaying an obligation, having amounts deducted from benefits, awaiting a decision, or pursuing an administrative appeal.

The final rule should expressly state how the amended standards apply to obligations that arose before the effective date but remain unresolved.

People in substantially the same circumstances should not receive different treatment merely because MainePERS asserted one payment obligation before the amended rule became effective and another afterward.

Requested change: Specify whether, and to what extent, the amended Chapter 204 applies to payment obligations that remain unpaid, under collection, subject to a repayment arrangement, or under administrative review or appeal on its effective date.

## COMMENT 2 - PROPOSED §2(1)-(2)

**The rule should require sufficient notice for a person to meaningfully request relief and exercise existing statutory rights.**

Proposed §2 establishes the process for requesting a waiver. That process can work fairly only if the affected person understands the payment obligation MainePERS is asking the person to repay.

Before requiring a person to respond to or seek waiver of an alleged obligation, MainePERS should provide enough information to allow that person to understand the claim and make an informed request.

At a minimum, the notice should identify the amount claimed, how it was calculated, the error or omission that created it, the applicable waiver standards, the information that may be submitted, and the person's review and appeal rights.

The notice should also inform an affected member or retiree of the right provided by 5 M.R.S. § 17105-A before the decision is final. That statute provides that, before retirement system staff render an adverse decision concerning the recoupment, suspension or termination of benefits, or assessment of penalties or interest, the affected member or retiree is entitled to an informal hearing and may bring legal counsel.

Chapter 204 should not create a waiver process that obscures or bypasses this existing statutory protection.

Requested change: Add to §2 minimum notice requirements sufficient to allow an affected person to understand the alleged payment obligation, meaningfully exercise the rights provided by Chapter 204, and, when applicable, receive notice of the right to an informal hearing under 5 M.R.S. § 17105-A before an

adverse staff decision is issued.

## COMMENT 3 - PROPOSED §2(1)-(4)

**The rule must preserve the informal hearing required by 5 M.R.S. § 17105-A before an adverse written decision.**

Chapter 204 should expressly recognize the procedure already required by statute before MainePERS staff take certain adverse actions against a member or retiree.

Under 5 M.R.S. § 17105-A, before retirement system staff render an adverse decision concerning the recoupment, suspension or termination of benefits, or assessment of penalties or interest, the affected member or retiree is entitled to an informal hearing and may bring legal counsel. The statute then provides that the retirement system shall issue a written decision, which is subject to the system's review and appeal process.

The sequence is important:

1. MainePERS identifies the proposed adverse action and provides adequate notice;
2. The affected member or retiree is given the opportunity for the informal hearing required by § 17105-A, including the opportunity to bring legal counsel;
3. MainePERS considers the information presented through that process;
4. MainePERS issues the written decision required by § 17105-A; and
5. The affected person may then exercise the applicable appeal rights.

MainePERS staff should not issue a written decision that recoups benefits, suspends or terminates benefits, or assesses penalties or interest and treat the hearing as something available only afterward. The statute places the informal hearing "prior to any adverse decision" by retirement system staff concerning those actions.

This requirement is particularly important in Chapter 204 because the rule concerns situations in which MainePERS is seeking payment based on an error or omission. Before money is recouped from a member or retiree, the person should receive the process the Legislature has already required.

Requested change: Amend §2 to expressly preserve the requirements of 5 M.R.S. § 17105-A and provide that, when a proposed action involves recoupment, suspension or termination of benefits, or assessment of penalties or interest, MainePERS may not issue the adverse written staff decision until the affected member or retiree has first been afforded the informal hearing required by § 17105-A.

## COMMENT 4 - PROPOSED §2(2)

**"Relevant information" should be defined and reasonable limits placed on documentation requests.**

Proposed §2(2) requires an applicant to cooperate with MainePERS and promptly provide additional "relevant information."

The rule does not define that term.

An open-ended requirement to provide "relevant information" gives MainePERS substantial discretion over what information a person must produce before a waiver request will be decided.

The rule should identify the general categories of information that may reasonably be required, such as income, necessary living expenses, debts, medical or disability-related expenses, caregiving costs and obligations, transportation or accessibility expenses, and unusual household obligations.

If information is missing, the applicant should receive written notice identifying what is reasonably necessary and a fair opportunity to provide the information or reasonable alternative evidence before relief is denied.

Requested change: Amend §2(2) to define the general categories of "relevant information" and require MainePERS to provide notice and an opportunity to cure a material deficiency.

## COMMENT 5 - PROPOSED §2(3)-(4)

**Collection should remain suspended through the required hearing and review process until the Board decision.**

Proposed §2(3) suspends the payment requirement while the initial waiver request is being decided. That is an important protection.

The final rule should make clear that collection cannot begin before the Board issues its decision.

The protection also should not end simply because the CEO or the CEO's designee issues an initial adverse decision if the affected person timely exercises the right to administrative review.

Otherwise, MainePERS could begin collecting the disputed amount while the Board's process is incomplete and the Board remains undecided.

Requested change: Amend §2(3)-(4) to provide that collection may not begin before completion of any informal hearing required by 5 M.R.S. § 17105-A and issuance of the resulting written decision and, when a timely administrative appeal is filed, that collection remains suspended until the administrative decision becomes a decision of the Board of Trustees and constitutes final agency action.

## COMMENT 6 - PROPOSED §2(1)-(4)

**A waiver request should not constitute an admission that the underlying payment obligation is valid.**

Chapter 204 addresses whether MainePERS will require payment of an obligation. It should not force a person to concede that the alleged obligation is correct merely by requesting relief from it.

These are separate questions:

1. Whether a payment obligation legally exists;
2. Whether MainePERS calculated it correctly;
3. Whether some or all of a valid obligation should be waived; and
4. If it is not waived, what method of recovery is reasonable.

A person should be able to dispute the existence or amount of an obligation and, alternatively, request a waiver if the obligation is ultimately upheld.

Requested change: Add language to §2 providing that a request for waiver does not constitute an admission that the underlying payment obligation is valid or correctly calculated and does not waive the person's right to dispute it.

## COMMENT 7 - PROPOSED §1(1) AND §2(1)-(2)

**The substantive waiver standards should be clear enough to produce consistent decisions.**

The proposed amendment improves Chapter 204 by replacing the existing "serious, not reasonably avoidable financial hardship" standard with the broader standard permitting relief when recovery would be "unreasonable or create financial hardship."

I support that change.

The Board should also ensure that the final rule contains enough standards to produce consistent decisions.

The rule should identify the factors MainePERS will consider in determining whether recovery would be "unreasonable" or would "create financial hardship." Those standards should appear in the rule rather than be developed through unpublished internal practices.

Similarly situated people should be able to expect similar treatment regardless of which employee reviews the request.

Requested change: Retain the proposed "unreasonable or create financial hardship" standard and add sufficient criteria to §1 or §2 to explain how MainePERS will apply that standard.

## COMMENT 8 - PROPOSED §1(1)

**Retain meaningful alternatives to full recovery.**

The proposed rule recognizes that relief need not be all or nothing. Depending upon the circumstances, payment may be delayed, spread over time, or waived.

That flexibility should be retained.

A person who does not qualify for a complete waiver may nevertheless face circumstances in which immediate or full recovery would be unreasonable or create financial hardship.

> Requested change: Retain the provisions allowing MainePERS, when the rule's standards are satisfied, to waive payment or provide appropriate alternatives to immediate full recovery.

## COMMENT 9 - PROPOSED §2(4)

**Appeal rights should cover all adverse determinations and all persons protected by the amended rule.**

The proposed amendments expand Chapter 204 beyond "members" and "retirees" to other benefit recipients. The appeal provision should use terminology consistent with that expanded scope.

The right to administrative review also should not depend upon whether MainePERS characterizes its action specifically as a "denial." A partial waiver, an unfavorable repayment arrangement, or another determination granting less relief than requested may also adversely affect the applicant.

Nothing in Chapter 204 should be read to diminish the separate procedural protections provided by 5 M.R.S. § 17105-A when that statute applies.

> Requested change: Amend §2(4) so that any benefit recipient adversely affected by a decision under Chapter 204 may exercise the applicable administrative appeal rights, while expressly preserving the pre-decision informal hearing required by 5 M.R.S. § 17105-A for members and retirees when applicable.

## CONCLUSION

I support MainePERS's proposed expansion of Chapter 204. I respectfully request that the Board strengthen the final rule by:

- Clarifying its application to existing and pending obligations;
- Requiring adequate notice before a person must seek relief;
- Expressly preserving the pre-decision informal hearing required by 5 M.R.S. § 17105-A before staff issue an adverse decision concerning recoupment, suspension or termination of benefits, or assessment of penalties or interest;
- Defining and limiting requests for "relevant information" under §2(2);
- Prohibiting collection before the Board decision when an administrative appeal is timely filed;
- Making clear that seeking a waiver is not an admission that the alleged obligation is valid;
- Providing standards for determining when recovery would be "unreasonable or create financial hardship";
- Retaining alternatives to immediate full recovery; and
- Ensuring that §2(4) provides appeal rights consistent with the expanded scope of the rule.

Chapter 204 should not merely describe how MainePERS processes a waiver request. It should establish clear and enforceable protections for every person affected by a payment obligation caused by an error or omission.

# Public Comments on Proposed Rulemaking Amendments to Chapter 204 Waiver of Repayment Requirements

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|---|---|
| **Submitted to** | MainePERS Board of Trustees |
| **Submitted by** | Susan M. Hawes, Portland, Maine |
| **Public Hearing** | September 10, 2026 |
| **Written Comment Deadline** | September 21, 2026 |
| **Date Submitted** | September 17, 2026 |

## Why I Am Asking the Board to Act

My husband is a MainePERS disabled retiree. His application for disability retirement was approved in September 2018, when he was 48 years old. He will not transition out of the disability program to regular service retirement until 2040—when he is 70 years old and I am 74.

Needless to say, how this system is administered has a continuing impact on my family.

Before turning to the proposed amendments to Chapter 204—the rule governing how MainePERS may recover alleged benefit overpayments—I need to explain why this Board must insist on clear standards, transparent procedures, and meaningful oversight.

On June 23, 2021, after Covid, I began requesting public records from MainePERS and soon after, I began attending the Board monthly meetings in person. I wanted to understand the many questionable acts of MainePERS employees that I witnessed during and after the approval of my husband's disability retirement application.

Since then, I have spent countless unpaid hours working to reform this System despite persistent and monumental resistance to accountability and transparency by the System's senior management and the Board. Many serious concerns are left unaddressed by the Board and its "Finance and Audit Committee" which is responsible for addressing concerns.[1]

[1] MainePERS Board of Trustees Board Governance 1.6 – Finance and Audit Committee of the Board policy states, "The Finance and Audit Committee (Committee) is a standing committee of the Board of Trustees with duties and responsibilities as set forth in this policy. The Committee is responsible for overseeing the integrity of the System's budgeting, financial accounting and reporting, audits, internal controls, and risk management. It coordinates communication to and within the Board of Trustees, the System's external auditors, the System's internal auditors and System management…The [Board's Finance and Audit] Committee is responsible to oversee the establishment of procedures by which information, concerns and complaints regarding accounting, internal controls, and auditing matters are received, evaluated, and responded to by management and/or the Committee itself. Where the procedure calls for or permits the submission of such information, concerns and complaints to management, it must also require management to report to the Committee at appropriate intervals on such submissions and their handling…."

That work has cost me financially and personally and has taken time from caring for my husband, whose needs seem to increase every year. Meanwhile, MainePERS senior managers are paid astronomical salaries to administer the disability retirement program properly and ensure that its most vulnerable members are treated lawfully and fairly.

**What the Legislative Proceedings Revealed**

Recent events demonstrate why giving staff broader discretion without clear standards is not the right direction.

This spring, MainePERS submitted two system bills (LD 2145 and 2169), each of which repealed a benefit available only under the Participating Local District, or PLD, retirement plan called "Average Annual Earnings" or AAE.

The testimony of MainePERS Director of Legislative and Actuarial Affairs provided no indication that the PLD Advisory Committee had even been informed that a benefit was being deleted from the plan it represents.[2] Note that MainePERS itself is also in the PLD plan; MainePERS employees do not participate in the State Employee and Teacher Retirement Program.[3]

That omission is significant because the PLD Advisory Committee recommends the employer and employee **contribution rates** for the PLD Consolidated Plan. Those rates are established by the Chief Executive Officer under authority granted by this Board and are developed using annual actuarial valuations produced by the agency's government contractor and retained actuary for about 40 years, the firm, Cheiron. A change affecting PLD benefits, actuarial costs, and required contributions plainly concerns matters on which the PLD Advisory Committee is expected to advise.

The work session on LD 2169 was more troubling still. Representative Soboleski asked Director of Member Services Mara McGowen to explain "Average Annual Earnings"—the PLD benefit the system's bill proposed to repeal, 5 MRS §18530 (4)(B). Director McGowen described a different new term being proposed in the bill (Final Annual Compensation or FAC) and did not describe the Average Annual Earnings (AAE) benefit being repealed by the bill. Her error should have been obvious to anyone listening.[4]

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[2] Bill Brown, MainePERS Director of Legislative and Actuarial Affairs, Testimony, LD 2145 and LD 2169, 132nd Maine State Legislature.

[3] For the list of Participating Local Districts, find it among the last pages of each MainePERS Annual Comprehensive Financial Report at mainepers.org.

[4] At the end of the Maine State Legislature's Joint Standing Committee on Labor, February 17, 2026 Work Session on LD 2169, Rep. Soboleski asks, "Would you please explain to me again the difference between the Average Final Compensation and Average Annual Earnings?" Director McGowen's complete response, "I think what you're referring to is the difference between the AFC, Average Final Compensation, we'll start there. That's your high three years of earnings throughout your entire MainePERS history of working. So, it's the average of those three years. That's what your Average Final Compensation is and that's what's used as one of the factors in the benefit calculation across most of our benefits. The Final Annual Compensation, or the FAC, is the compensation that somebody is earning on that last date of employment. So their hourly wage times the anticipated hours for that position or their salary, if they're a salaried individual. Those two things can be drastically different and currently the way the statute interprets those is if you're re-employed under MainePERS, it's a different threshold than if you are re-employed somewhere else that is not covered by MainePERS. What the statute [*sic*] does it says those are

No one corrected her. No one asked for clarification of Director McGowen's statement. Members of the public may not speak during a work session, so I could say nothing. And minutes later, the legislative committee responsible for oversight of MainePERS voted to approve the bill eliminating a PLD benefit favorable to disabled retirees.

Legislators cannot make informed decisions if MainePERS senior staff cannot or do not accurately explain the provisions in the system's bills.

**What the Actuarial Record Revealed**

MainePERS Board Policy 2.2 requires the Board to "engage an independent actuarial audit of the retained actuarial consultant every five years or as required by circumstances." The Board Charter likewise assigns the Board responsibility to "Conduct an actuarial audit every five years" and separately to review the Board's actuary every five years and competitively bid as needed.[5]

The 2026 independent audit by Gabriel, Roeder, Smith & Company (GRS) identified a significant error in Cheiron's modeling of the PLD plan. Cheiron's valuation software assigned active PLD members the 66⅔% disability benefit applicable to few members rather than the 59% "no age" benefit applicable to nearly all current PLD members. Cheiron confirmed that the disability benefit flag in its valuation software was incorrectly configured. The audit reported that correcting the error reduced the 2025 PLD actuarial liability by approximately 0.2%—nearly $10 million.

That matters because Cheiron's annual valuations are used to develop PLD contribution rates. If contribution requirements were calculated using an overstated disability benefit, PLD employers and active employees paying into the system may have been required to contribute more for disability liabilities than properly calculated assumptions would have required. The audit establishes the 2025 effect; it does not establish how long the erroneous software configuration existed at Cheiron or quantify its cumulative effect on historical contribution rates. Those questions now need answers.

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going to be the same across the board because it doesn't really matter where you're working. We're going to take the most advantageous of the two. Sometimes the AFC is going to be higher for individuals because, generally speaking, for an individual, the longer you work, the more you're going to make so those last three years are probably the highest grossing for you. So, in those situations, your Final Annual Compensation is probably the highest because we're taking your final wage at fulltime versus the average of the [highest] three years which would be slightly less than your final wage. But what we find is for some individuals, they really don't want to come to us. Nobody wakes up and says, "I want to receive MainePERS disability benefits." They continue working, they take a demotion, and that final pay may not be the highest for them. They may have stepped back, taken a lesser responsibility position and now we're limiting them on something that really isn't representative of their wage throughout their working career, just because they are trying to remain employed."

[5] MainePERS Governance Manual, Board Policy 2.2, Actuarial Soundness and Funding: "The Board shall engage an independent actuarial audit of the retained actuarial consultant every five years or as required by circumstances." The Board Charter separately identifies among the Board's oversight responsibilities: "Conduct an actuarial audit every five years (Board Policy 2.2)" and "Review the Board's actuary every five years and competitively bid as needed (Board Policies 2.2, 4.4)."

The records concerning the cost of the audit raise additional oversight questions. In response to my FOAA request for GRS invoices and other Accounts Payable expenses associated with the audit, MainePERS provided only Cheiron invoices—no GRS invoices.[6] Those invoices show that MainePERS paid Cheiron—the actuarial consultant whose work was being audited—$22,612.50 for 68 hours specifically described as "Provide Information to Auditing Actuarial Firm" during May through July 2026.

During the same period, Cheiron separately billed MainePERS $3,937.50 for work labeled "No Age Disability." The invoices do not establish whether that work concerned the error identified by GRS, but the timing warrants an obvious question: **When did GRS, MainePERS, and Cheiron first identify the incorrect disability benefit flag configuration in its software, and what work was performed to investigate and correct it?**

This is precisely why independent actuarial review and meaningful Board oversight matter. The Board should determine when the error began, whether and to what extent it affected historical PLD contribution rates, how the software and underlying data were validated after its discovery, and what internal controls will prevent similar errors in the future. Those questions are particularly important when actuarial calculations ultimately determine how much public employers—and, in most cases, taxpayers—must contribute to the System.

This is not the only evidence that Cheiron's PLD disability cost assumptions have historically exceeded experience. Cheiron's five-year experience studies reports show its assumption approached 2-3x actual disability experience at least as far back as 2015:

**PLD Regular Disability Incidence Experience**

| Period | Exposures | Actual | Expected | Actual ÷ Expected | Expected ÷ Actual |
|---|---|---|---|---|---|
| 2015–2020 | 41,668 | 44 | 126 | 35% | 2.86× |
| 2021–2025 | 43,931 | 48 | 71 | 68% | 1.48× |
| **Combined** | **85,599** | **92** | **197** | **47%** | **2.14×** |

*Sources: Cheiron, MainePERS Experience Study for the Period Ending June 30, 2020, Table III-D4 (printed page 54; PDF page 57), and MainePERS Experience Study for the Period Ending June 30, 2025, Table II-D4 (printed page 42; PDF page 45). Combined figures are calculated from the two studies. Note that all of the disability incidence tables in Cheiron's 2025 report erroneously use the term "Terminations" even though the tables clearly report disability incidence. The same mislabeling of the tables is repeated on page 39 for Teachers, page 41 for State Special, page 42 for PLD Regular, and page 43 for PLD Special.*

[6] On September 13, 2026, I submitted another FOAA request for "the contract for the Board's 5 year Independent Actuarial Audit conducted in 2026 by Gabriel, Roeder, Smith & Company and the Board's authorization/engagement describing the scope of the audit the Board commissioned, the agreed price, and who approved payment." As of this writing, the FOAA request is pending.

Across those two periods, Cheiron's assumptions projected one hundred ninety-seven (197) PLD Regular disabilities, while only ninety-two (92) occurred. Thus, expected incidence was more than twice actual experience. Persistently projecting more than twice the disabilities that actually occur overstates expected disability normal cost, increases contribution requirements beyond what actual experience supports, and overstates projected actuarial liabilities.

These are not small or isolated mistakes. They raise fundamental questions about the competence of MainePERS administration, the reliability of Cheiron's work over forty years as the system's retained actuary, and the adequacy of this Board's oversight.

Under 5 MRS §17103(1), the Board is expressly responsible for the proper operation of the retirement system. Section 17103(2) further requires the Board to formulate policies and exercise general supervision over the System's administration.[7] The Board cannot meaningfully discharge those statutory duties by accepting actuarial projections and contribution calculations without ensuring that the underlying assumptions, data, and government contractor's software configurations are correct.

**Withheld SSDI Benefits and Cheiron's Changed PLD Assumption Label**

Compare *all of the above* to the following: At the same time, the Board declined to support releasing all benefits withheld from approximately fifty (50) PLD disabled retirees. MainePERS withheld significant portions of individual disability benefits because the individual also qualified for Social Security Disability Insurance, or SSDI. No state employee or teacher was affected. Although those reductions may have been authorized under the law then in effect**, I urge this Board to fulfill its moral and fiduciary obligation to release the remaining withheld benefits after the reduction was repealed through LD 1638 last year**. **The Legislature provided only partial retroactive relief in response to MainePERS and Cheiron asserting that releasing the benefits withheld from these 50 individuals would add liability costs to the PLD plan.**

During the Legislature's consideration of the repeal, MainePERS staff and Cheiron claimed that releasing benefits withheld from approximately fifty (50) PLD disability retirees would increase future actuarial liabilities. Yet the applicable published valuation

[7] **5 MRS §17103. Duties of the board of trustees** [in part] In addition to other duties set out in this Part, the board shall have the following duties. 1. Operation of retirement system. The board shall have responsibility for the proper operation of the retirement system and for making this Part effective. 2. Policy-making and supervision. The board shall formulate policies and exercise general supervision under this Part…4. Rules. Subject to the limitations of this Part, and subject to the requirements of chapter 375, subchapter II, to the extent those requirements are applicable, the board shall, from time to time, establish rules for the administration of the funds created by this Part and for the transaction of business, including rules establishing the requirements for a beneficiary to qualify as a full-time student.... 6. Rights, credits, privileges and membership eligibility; decisions. The board shall in all cases make the final and determining administrative decision in all matters affecting the rights, credits and privileges of all members of all programs of the retirement system whether in participating local districts or in the state service....

did not identify a Social Security offset assumption that reduced projected benefit payments and future actuarial liabilities.

MainePERS told the legislative committee that SSDI reductions were included within the assumption for reductions in disability benefits attributable to Workers' Compensation, but they produced no calculation or other evidence demonstrating that. The 2024 PLD valuation described the assumption only as "10% assumed to receive Workers Compensation benefits offsetting disability benefit." After the absence of any identified SSDI assumption was challenged, the 2025 PLD valuation covering July 2024-June 2025 which Cheiron issued in October 2025 changed that description to "10% assumed to receive Social Security and/or Workers Compensation benefits offsetting disability benefit." Changing the label after the Labor Committee voted unanimously to eliminate the SSDI reduction does not establish that Social Security Disability reductions were included in Cheiron's earlier calculations.

That disclosure gap matters. The published valuations support the conclusion that Cheiron's calculations assumed full benefits would be released to PLD disabled retirees who qualified for SSDI. MainePERS therefore holds withheld benefits inside a trust fund with an actuarial liability already reflecting their release. If MainePERS and Cheiron contend that SSDI reductions were included, they should produce the calculation showing exactly where and how those reductions were modeled and reconcile it with the earlier published description. In either event, the Board should require a transparent reconciliation showing how SSDI offsets were treated, how the claimed cost of broad retroactive relief was calculated, and how the benefits retained by the fund were accounted for.

These are not small amounts of disability benefits being withheld from retirees. In my husband's case alone, even using the 59% benefit level using his Average Final Compensation of $48,000 set in 2018, I believe MainePERS withheld approximately $55,000 of his 59% benefit between 2018 and 2023 (about $1,000/month). My husband's benefits remain in the retirement trust fund, where it earns investment income. At the same time, to the extent the actuarial valuation treated those withheld benefits as benefits already paid to the disabled retiree, the actuarial records reflect an expense yet an expense in benefits MainePERS never actually paid to my husband.

**Why This Record Matters to Chapter 204**

For five years, I have shown up, requested records, read them, compared them, and brought what I found back to this Board. I have not done that work perfectly, but I have done it openly, without compensation, and at real cost to my family. I would very much like to go home and leave this work behind.

But I cannot, in good conscience, walk away knowing what I know about MainePERS record, its operations, and the harm its administrative practices and errors cause members. I am not asking you to accept my conclusions without scrutiny. I am asking you to scrutinize the evidence yourselves and act on it. **Disabled retirees should not**

**have to police the retirement system that exists to serve them. That is the Board's responsibility.**

These are some of the reasons Chapter 204 should not be accepted as proposed by staff. An agency with this record described above should not be permitted to claw back alleged disability overpayments under vague standards, undisclosed procedures, or unchecked administrative discretion.

As I discuss below, more than once the **courts have told this Board** that governing standards must be *established and disclosed in advance* so affected people can determine their rights and intelligently present relevant evidence. Chapter 204 must therefore tell disabled retirees what standards apply, what process they are entitled to, what MainePERS may require, and when hardship or unreasonableness requires actual relief—not merely a slower collection schedule.

I will now turn to the proposed rule.

## What the Proposed Rule Gets Right and What It Still Needs

I support the proposed expansion of waiver relief resulting from legislative guidance issued in P.L. 2025, ch. 598. This proposal appropriately eliminates several unnecessarily restrictive requirements, provides automatic waiver for payment obligations of $250 or less, expands protection from interest, removes the 30-day deadline for requesting a waiver, and suspends the payment obligation while a waiver request is pending.

These are important improvements and should be retained.

My principal concern is that giving staff broader discretion without clear standards is not the right direction. The governing standards must be enforceable and belong in the rule.

## Comment 1 — Put The Governing Standards In The Rule

*Relevant provisions: Proposed §1(2) and (3); proposed §2(2) and (4)*

Proposed §1(2) provides that a payment obligation will be "delayed, satisfied over time, or waived" to the extent requiring payment would be "unreasonable or create financial hardship" after consideration of the recipient's personal economic stability.

But the rule does not define "unreasonable," adequately define "financial hardship," or explain when established hardship results in actual relief through partial or complete waiver rather than merely a longer collection schedule.

Lack of standards in MainePERS rules is not a new issue for MainePERS.

In *Merrill v. Board of Trustees of Maine Public Employees Retirement System*, 2014 ME 100, the Law Court addressed the Board's waiver authority under 5 MRS §17103(6). The Court held that due process requires waiver decisions to be made according to standards made known to the parties so they can intelligently present evidence relevant to those standards.

Chapter 204 was subsequently adopted by the Board in 2016 to establish standards governing the exercise of waiver authority related to employer errors.

*Merrill* also follows an earlier warning involving MainePERS. In *Perr v. Board of Trustees of the Maine State Retirement System* (Me. Super. Ct. May 7, 1993), the court quoted the Law Court's requirement in *Fitanides v. Crowley* that administrative policy be sufficiently clear so affected people can "reasonably determine their rights" and their rights are not left to "purely arbitrary discretion." *Perr* further explained that the Board should determine the facts and apply the governing standard—not determine both the facts and the standard itself while deciding the case.

These authorities point in the same direction: the standards governing decisions must be established and disclosed in advance. Substantive standards belong in Chapter 204—not in a form, webpage, unpublished checklist, or staff practice that can change without rulemaking.

**Requested change**

Amend Chapter 204 to define:

1. circumstances that make recovery "unreasonable";
2. circumstances relevant to "financial hardship";
3. information MainePERS may require;
4. how MainePERS or employer responsibility for an error affects the decision; and
5. when partial or full waiver is required rather than delay or installment payments.

**Comment 2 — Retain The Deletion of Member Fault Requirements and Address MainePERS Errors**

*Relevant provisions: Proposed §1(1)-(3); 5 MRS §17105(1)(F)*

I strongly support deleting the existing requirements that a recipient demonstrate that the recipient did not cause or substantially contribute to the error, could not have prevented it, took reasonable steps to discover and mitigate it, and cooperated with MainePERS recovery from the employer.

Members should not have to audit MainePERS.

Recent experience demonstrates why.

## What the Correction Records Show

By August 2025, MainePERS had determined that disability benefits had been "recouped in error" from approximately 98 retirees. [8]

The correction payment records were provided to me on September 3, 2026, in response to a FOAA request. The letters identify only approximately 77 unique affected retirees. It is not clear whether MainePERS is still reviewing or correcting the remaining cases, or whether those cases were resolved in some other manner.

The records provided to date show corrective payments approaching $1 million, including substantial interest, with some corrections reaching back many years.

More importantly, correcting an erroneous earnings limitation did not always reveal the full harm.

## What Happened to Penny LaGasse

In Penny LaGasse's case, an erroneous earnings limitation resulted in improper recoupment and premature termination of her disability benefit effective March 31, 2009. Apparently, Ms. LaGasse was supplementing her disability benefit with a job that generated annual income $1,300 above the earnings limitation for the previous year. It appears that, upon reviewing her 2008 Social Security Administration Form SSA-1099, MainePERS terminated her disability benefit.

In February 2026, MainePERS notified Ms. LaGasse that her disability benefit should have continued through December 31, 2010, and calculated $23,398.32 in retroactive disability benefits plus $42,878.70 in interest.[9]

MainePERS review of Kristal Wilson's erroneous earnings limitation likewise disclosed that her disability benefit had been prematurely terminated.

These cases raise an important question:

When MainePERS discovers a material error, does it review the complete related benefit history for consequential errors?

## The Duty to Find and Correct Related Errors

Maine law already recognizes a duty to correct discovered errors. Under 5 MRS §17105(1)(F), upon discovery of an error in a retirement system record, the Chief Executive Officer must, "to the extent practicable, correct the record." When a

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[8] I filed a Freedom of Access Act (FOAA) public records request on November 13, 2025, for the staff's internal development process resulting in the "Proposed Disability Program Enhancements" document presented on that date by staff to the Board of Trustees. On December 17, 2025, the Director of Actuarial and Legislative Affairs estimated delivery of the records in six weeks. Four days before the Chief Operating Officer/General Counsel, Michael Colleran, Esq., retired after over thirteen years in the job, I finally received the 2025 records on July 27, 2026. Breadcrumbs discovered in the documents (e.g. Mara McGowen, email "Disability Review," August 14, 2025 9:52 AM) prompted me to file another FOAA request on August 4, 2026, for the actual letters.

[9] See attached MainePERS letters to Penny LaGasse dated December 1, 2025, and February 6, 2026.

discovered error may have affected later benefit calculations or decisions, correcting the record should include a reasonable review for consequential errors—not leave each consequence for the retiree to discover independently.

**Requested change**

Retain the proposed deletion of the member-fault requirements and provide that:

1. MainePERS or employer responsibility for an error is an express consideration in determining whether recovery is unreasonable; and
2. when MainePERS discovers a material error affecting a benefit or payment obligation, it must reasonably review the related account for consequential errors and correct them to the extent practicable.

Waiving repayment should not relieve MainePERS of responsibility for correcting the underlying benefit record or other consequences of its error.

## Comment 3 — Use This Rulemaking to Modernize the Existing Financial Hardship Factors

*Relevant provision: Proposed §1(3)(C)-(D)*

The proposed amendments retain from the existing rule consideration of "personal and family income, earning potential, and assets" when determining financial hardship.

Although these factors are not new, this rulemaking substantially revises the hardship standard and expands Chapter 204 beyond its existing narrow waiver provisions. The Board should use this opportunity to reconsider whether these existing factors remain appropriate. The hardship determination should focus on the waiver applicant's actual income and necessary expenses.

**Why the Existing Factors Can Cause Harm**

"Earning potential" is hypothetical and invites speculation about income a person supposedly could earn rather than examination of the person's actual financial circumstances. This is particularly problematic when the applicant is receiving disability retirement benefits.

"Family income" can effectively shift responsibility for an individual's MainePERS payment obligation to a spouse, other household member, or life insurance beneficiary who does not owe it. This is not child-support enforcement, and disabled public employees are not deadbeat parents. A waiver rule should not begin with the assumption that every available household resource belongs to MainePERS.[10]

[10] Preventing MainePERS from recovering amounts from a life insurance beneficiary would require a change in statute. 5 MRS §17054. Legal process and assignment sub-section 3. Recovery of overpayments by the retirement system. Any amounts due the retirement system as the result of overpayment or erroneous payment of benefits, an excess refund of contributions or overpayment or erroneous payment of life insurance benefits may be recovered from an individual's contributions, any benefits or life insurance benefits payable under this Part to the individual or the beneficiary of the individual or any

"Assets" can likewise produce unreasonable results if it means that an applicant must sell property, borrow against a home, or deplete savings before qualifying for relief.[11]

At the same time, the existing reference to "living necessities" does not expressly recognize expenses that may be substantial for older people and people with disabilities, including medical care, medications, caregiving, adaptive equipment, accessible transportation, and accessibility needs. The National Disability Institute found in 2020 that "a household containing an adult with a disability that limits their ability to work requires, on average, 28 percent more income (or an additional $17,690 a year) to obtain the same standard of living as a similar household without a member with a disability."[12]

**Requested change**

As part of this rulemaking, revise §1(3)(C)-(D) to:

1. delete "earning potential";
2. remove "family income" and "assets" from the hardship determination;
3. base the determination on the applicant's actual income and necessary expenses;
4. make clear that a spouse or other household member is not responsible for, and is not expected to contribute toward, the applicant's payment obligation; and
5. expressly include necessary medical, disability, caregiving, transportation, and accessibility expenses.

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combination of contributions and benefits. If the overpayment or excess refund of contributions resulted from a mistake of or incorrect information provided by an employee of the retirement system, or a mistake of the retiree or the recipient of the benefit or life insurance benefit, a penalty or interest may not be assessed by the retirement system. In all cases of recovery of overpayments through the reduction of a retirement benefit, whether with or without the assessment of interest by the retirement system, the recovery practices must be reasonable and consider the personal economic stability of the retiree in the establishment of the recovery schedule. The chief executive officer may also take action to recover those amounts due from any amounts payable to the individual by any other state agency or by an action in a court of competent jurisdiction. Whenever the chief executive officer makes a decision to recover any amounts under this subsection, other than by an action in a court of competent jurisdiction, that decision is subject to appeal under section 17451. Employers are responsible for enrolling employees in the correct retirement plan. The retirement system shall provide training, education and information to assist employers in the correct enrollment of employees. If an employee is enrolled in the incorrect retirement plan by the employer through no fault of the employee, the employee may not lose any retirement benefits. The State is not responsible for the employer contribution when the employer is a school district, municipality or county and those contributions and assessed interest, if applicable, must be paid to the retirement system by the school district, municipality or county.

[11] See John York's oral and written comments to the Board during the Ch. 513 rulemaking public hearing June 13, 2024. Mr. York describes his experience with MainePERS administration of earnings limitations resulting in the need to sell real property to make ends meet. MainePERS had suddenly claimed he had been overpaid about a year after he switched to regular service retirement. MainePERS claimed he owed back to MainePERS about $35,000 in disability benefits. The system then apparently began withholding 100% of his monthly service retirement benefit.

[12] See "The Extra Costs of Living with a Disability in the U.S. — Resetting the Policy Table," National Disability Institute, October 2020.

## Comment 4 — Require A Plain-Language Form and Limit Information Requests

*Relevant provisions: Proposed §2(1) and (2)*

Proposed §2(1) appropriately eliminates the existing 30-day deadline and requirement that a waiver request initially include documentary proof establishing every criterion. A request need only be submitted in writing to MainePERS.

That improvement should be retained.

MainePERS should also develop a plain-language waiver-request form so applicants know what information is ordinarily needed.

But the form should implement Chapter 204, not create substantive requirements that are absent from the rule.

Use of the form should not be mandatory when a written request otherwise provides sufficient information.

Proposed §2(2) also requires an applicant to "fully cooperate" and "promptly" provide "relevant information" requested by MainePERS. Those terms are undefined.

An elderly or disabled person should not lose waiver relief because of an unstated deadline, inability to immediately locate a record, or failure to provide information that is not material to the decision.

### Requested change

Amend §2(1)-(2) to require MainePERS to:

1. provide a plain-language waiver-request form identifying information ordinarily necessary to decide a request;
2. permit a sufficient written waiver request even if the form is not used;
3. use relevant information already in MainePERS's possession rather than require unnecessary duplication;
4. request only additional information material to the standards established by Chapter 204;
5. identify additional requested information specifically and in writing;
6. provide reasonable response periods and extensions for good cause;
7. accept reasonable alternative evidence when conventional documentation is unavailable;
8. provide reasonable assistance and disability accommodations; and
9. provide notice of a material omission and a reasonable opportunity to cure it before denying relief.

The form should not establish additional eligibility requirements, financial tests, documentation requirements, deadlines, or grounds for denial that do not appear in Chapter 204.

## Comment 5 — Hardship Must Result in Meaningful Relief—Not Simply Extend the Period of Repayment

*Relevant provisions: Proposed §1(2) and (3); 5 MRS §17054(3), 17103(6)*

Proposed §1(2) says an obligation will be "delayed, satisfied over time, or waived" to the extent requiring payment would be unreasonable or create financial hardship.

But it does not say how MainePERS chooses among those remedies.

Hardship must mean real relief. MainePERS could determine that recovery creates hardship and simply extend repayment for years. A smaller monthly deduction is not meaningful relief if it merely prolongs the same hardship; spreading a deduction over ten years may simply create ten years of hardship.[13]

This is especially important because 5 MRS §17054(3) already requires recovery practices involving reduction of retirement benefits to be reasonable and requires consideration of the retiree's personal economic stability when establishing the recovery schedule.

The waiver statute itself confirms that relief need not be all-or-nothing. Section 17103(6) expressly authorizes the Board to waive "all or part" of an amount due. Read together with §17054(3), that authority supports partial or full waivers when merely delaying or extending repayment would not resolve the hardship or unreasonable result. See discussion of Sec. 28 of PL 2025 Ch. 598 containing the legislature's spring 2026 guidance on this issue in Comment #7 below.

### Requested change

Amend §1(2) to require relief sufficient to prevent the identified hardship or unreasonable result, including partial or full waiver when delay or installment payments would be insufficient.

## Comment 6 — The Interest Provision Should Track the Statute

*Relevant provision: Proposed §1(2); 5 MRS §17054(3)*

I support the proposal's expanded protection against interest.

But proposed §1(2) says interest will not be charged when the payment obligation results from a MainePERS or employer mistake, or from a "good faith mistake" by a member, retiree, or benefit recipient.

However, the statute does not impose that "good faith" qualification.

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[13] See the CDC's *Morbidity and Mortality Weekly Report,* September 11, 2020 article, "Frequent Mental Distress Among Adults, by Disability Status, Disability Type, and Selected Characteristics — United States, 2018," which found, "Among adults with disabilities, the highest prevalences of frequent mental distress were in New Hampshire (42.9%), South Carolina (39.2%), and Maine (38.7%); the median prevalence (32.5%) was in Louisiana. The study defined frequent mental distress as 14 or more self-reported mentally unhealthy days in the past 30 days.

Section 17054(3) provides:

"If the overpayment or excess refund of contributions resulted from a mistake of or incorrect information provided by an employee of the retirement system, or a mistake of the retiree or the recipient of the benefit or life insurance benefit, a penalty or interest may not be assessed by the retirement system."

The difference is significant. The Legislature said, "a mistake of the retiree or the recipient"—not a "good faith mistake." Adding "good faith" creates a new, undefined condition that does not appear in the statute and could narrow the protection the Legislature provided.

The rule should also make clear that this protection applies to accrued but unpaid interest, not merely interest that would otherwise be charged in the future.

**Requested change**

Amend proposed §1(2) to:

1. delete "good faith" and conform the provision to the language of §17054(3); and
2. clarify that the statutory protection applies to accrued but unpaid interest as well as future interest.

### Comment 7 — Keep The Payment Obligation, Waiver, And Collection Terms Distinct

*Relevant provision: Proposed §2(4)*

Chapter 204 should preserve three separate questions:

1. **Does a valid payment obligation exist, and was it calculated correctly?**
2. **If it exists, should some or all of it be waived because recovery is unreasonable or creates financial hardship?**
3. **If an amount remains collectible, what recovery terms are reasonable?**

Proposed §2(4) says the waiver request and any appeal "may be decided in conjunction with the determination of the underlying payment obligation."

Joint consideration may sometimes be efficient, but it should not blur these separate questions.

Requesting a waiver must not constitute an admission that the underlying payment obligation is valid.

### Why Section 28 Matters

Section 28 of P.L. 2025, chapter 598 demonstrates why that distinction matters. It provides that an individual required to reimburse MainePERS for excess compensation under former 5 MRS §17906(1), 17930, 18506(1), or 18530 "is no longer obligated to reimburse" MainePERS for that debt beginning on the Act's effective date. *The Legislature extinguished those debts; it did not merely make them eligible for waiver.*

Before requiring a recipient to establish hardship, MainePERS must provide an understandable accounting showing the legal basis, dates, amounts, inputs to calculations, and the calculation(s) supporting the asserted obligation.

### Requested change

Amend §2(4) to:

1. state that requesting a waiver does not admit the validity or amount of the underlying obligation;
2. preserve the right to challenge the obligation separately;
3. require MainePERS to provide the legal basis and complete calculation supporting the obligation;
4. permit joint consideration only when it will not prejudice or delay either issue.

## Comment 8 — Correct The Appeal Provision and Preserve Statutory Rights

*Relevant provision: Proposed §2(4); 5 MRS §17105-A, 17451*

Proposed §2(4) provides that if the waiver decision is a "denial," the "member or retiree" may appeal to the Board under §17451.

That language is narrower than §17451, which permits "any person aggrieved" by a decision or ruling of the Chief Executive Officer to appeal to the Board.[14]

A person may be aggrieved by more than a complete denial. A partial waiver, refusal to waive interest, unreasonable repayment schedule, or another partially adverse determination may also require review.

The reference only to "member or retiree" is also inconsistent with the proposed rule's addition of "benefit recipient" elsewhere.

[14] **5 MRS §17451. Appeals** 1. Decision of chief executive officer. Any person aggrieved by a decision or ruling of the chief executive officer may appeal the decision or ruling to the board. (A). To appeal a person must apply in writing to the board within 30 days after receiving written notice of the chief executive officer's decision or ruling. (B). In any appeal proceeding, the board may investigate and consider all issues of fact or law, including the reasons for the decision or ruling of the chief executive officer. (C). The appeal proceeding is an adjudicatory proceeding within the meaning of chapter 375, subchapter IV. (D). The board shall complete the appeal proceeding within 90 days of receiving the written application for appeal. 2. Decision of board. Any person aggrieved by a decision or ruling of the board in an adjudicatory proceeding is entitled to judicial review of the decision or ruling in accordance with chapter 375, subchapter VII.

Section 17105-A separately provides procedural protection before retirement system staff renders specified adverse decisions.[15]

Chapter 204 should not inadvertently narrow statutory rights.

**Requested change**

Revise §2(4) to:

1. preserve appeal from every adverse portion of a decision;
2. although §17105-A expressly protects members and retirees, provide equivalent procedural protection to any benefit recipient or other person against whom MainePERS asserts a payment obligation;
3. expressly acknowledge and preserve applicable rights under §17105-A and 17451; and
4. require a reasoned written decision stating the evidence, findings, standards applied, and appeal rights.

## Comment 9 — Require A Timely Decision and Suspend Collection Until the Board of Trustees Issues Its Decision (Final Agency Action)

*Relevant provisions: Proposed §2(2)-(4); 5 MRS §17106-A, 17451*

The proposal requires an applicant to "promptly" provide requested information but establishes no comparable deadline for MainePERS to decide the waiver request.

That imbalance should be corrected. A person facing recovery from retirement or disability benefits should not have to wait indefinitely for a decision.

I also support proposed §2(3), which suspends the payment obligation after submission of a waiver request. But as drafted, the suspension ends when the Chief Executive Officer or designee issues the written decision on the waiver request.

That is too early when the decision is timely appealed to the Board of Trustees.

Section 17451 gives an aggrieved person the right to appeal a Chief Executive Officer decision to the Board. When that right is exercised, the CEO decision is not the end of the MainePERS administrative process. Collection should not begin or resume while the person is still pursuing a Board of Trustees decision via an administrative appeal provided by statute.

Otherwise, MainePERS could begin collecting the disputed obligation from a person's benefits while the Board is still deciding whether the CEO's waiver determination was correct. That undermines the practical value of both the suspension and the right to appeal.

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[15] **5 MRS §17105-A. Adverse decisions of the retirement system.** Prior to any adverse decision rendered by retirement system staff with respect to the recoupment, suspension or termination of benefits, or assessment of penalties or interest, the affected member or retiree is entitled to an informal hearing to which the member or retiree may bring legal counsel. The retirement system shall issue a written decision; this decision is subject to the retirement system's review and appeal process pursuant to section 17451.

The suspension should therefore continue through the Board's decision when a timely administrative appeal is taken. Section 17106-A provides that the Board's decision upon a hearing officer's recommended decision constitutes final agency action.

**Requested change**

Amend §2 to:

1. when §17105-A applies ("recoupment, suspension or termination of benefits, or assessment of penalties or interest"), require MainePERS to schedule the informal hearing within 21 days after receiving the information reasonably necessary, and to issue a written decision within 7 days after the informal hearing;
2. permit an extension only for good cause, with written notice explaining the reason for the extension and the expected decision date;
3. prohibit indefinite delay through repeated requests for information that is not material to the waiver determination;
4. provide that, when a timely administrative appeal is taken, the payment obligation remains suspended until the administrative decision becomes a decision of the Board of Trustees (final agency action); and
5. clearly state how interest is treated during the entire period the payment obligation is suspended.

Section 17451 already establishes a separate deadline for completion of the Board's decision (90 days). The rule should similarly establish a reasonable deadline for the initial waiver decision while ensuring that collection is not initiated or does not resume before the MainePERS administrative review process is complete and has resulted in the Board's decision.

**Comment 10 — Clarify The $250 Automatic Waiver**

*Relevant provision: Proposed §1(1)*

I support proposed §1(1), which provides that a payment obligation "will be waived if the amount to be recovered is no more than $250."

"Automatic" should mean automatic. A recipient should not have to submit a waiver application or financial information for an obligation the rule says will be waived.

Waiver of the repayment obligation also should not eliminate MainePERS's responsibility to correct the underlying account or other consequences of an error.

**Requested change**

Clarify §1(1) to provide that:

1. the waiver requires no application or financial disclosure;
2. related components of a single payment obligation may not be artificially divided, or unrelated obligations combined, to alter eligibility; and
3. waiver does not relieve MainePERS of responsibility for correcting the underlying records and consequences of an error.

**Comment 11 — Require Basic Board Oversight**

*Relevant provisions: Chapter 204 as a whole; 5 MRS §17103(1), (2), (7); new reporting provision requested*

The proposed rule gives MainePERS substantial discretion in determining whether recovery is unreasonable, whether financial hardship exists, what information is required, and what form of relief is appropriate.

The Board needs regular information and data—not merely whatever individual cases happen to reach it—to determine whether that discretion is being applied consistently.

Recent disability corrections demonstrate why knowing only how much MainePERS recovers is inadequate. The Board should also know why payment obligations arose and who caused the underlying errors.

This reporting is consistent with the Board's existing statutory responsibilities. Section 17103(1) makes the Board responsible for the proper operation of the retirement system, and §17103(2) requires the Board to formulate policies and exercise general supervision. Although the Board may delegate particular duties, it cannot delegate away its ultimate responsibility. The Board cannot meaningfully supervise administration of Chapter 204 without basic information showing how the rule is being applied and whether errors or inconsistent outcomes are occurring.

**Moreover, the Board's formal adoption of a contracted hearing officer's recommended decision should not be confused with meaningful Board oversight of the administrative problems revealed by an appeal. Appeals may expose unclear standards, inconsistent practices, recurring errors, or other problems that require Board attention beyond resolution of the individual case.**

The record also demonstrates that professional credentials alone do not provide adequate safeguards. For years, disability administration and senior operational oversight were managed by attorneys, yet serious legal, procedural, and benefit-calculation errors still occurred. Both positions are now held by non-attorneys, while general counsel responsibility has been assigned to another attorney. The answer is not reliance on particular personnel. It is clear rules, transparent reporting, and active Board oversight.

**Requested change**

Require at least annual reporting showing:

1. number and dollar amount of payment obligations by plan;
2. cause, including MainePERS, employer, and recipient error;
3. waiver requests and dispositions by plan;
4. full and partial waivers and other forms of relief;
5. interest imposed, cancelled, or waived;
6. time from request to decision; and
7. appeals and outcomes, including administrative issues identified through appeals.

## Comment 12 — Correct The Rule's Statutory Authority Citation

*Relevant provisions: Summary; Statutory Authority*

The proposed rule's statutory-authority citation is incomplete.

The rule's own Summary states that Chapter 204 establishes waiver standards under 5 MRS §17054(3) and 17103(6). Section 17054(3) governs recovery of overpayments and related interest and recovery practices, while §17103(6) authorizes waiver of certain payments resulting from employer error or omission. Yet the formal "STATUTORY AUTHORITY" provision at the end of the rule identifies only §17103(4), the Board's general rulemaking authority.

That makes the problem apparent on the face of the proposed rule: the Summary identifies the statutes providing the substantive authority for what Chapter 204 does, while the formal statutory-authority provision lists only the Board's general authority to make rules.

Section 17103(4) provides the Board's general rulemaking authority, but §17054(3) and 17103(6) provide substantive authority directly relevant to the payment-obligation, recovery, and waiver provisions implemented by Chapter 204.

### Requested change

Revise the STATUTORY AUTHORITY provision to identify, at minimum:

5 MRS §17054(3), 17103(4), and 17103(6).

MainePERS should also review whether §17105-A, 17106-A, and 17451 should be cited because Chapter 204 expressly addresses decisions and appeals governed by those statutes. Section 17106-A governs the use of hearing officers in appeals of Chief Executive Officer decisions and the Board's action on their recommended decisions. A decision of the Board upon a hearing officer's recommended decision constitutes final agency action.[16]

The final rule should accurately identify all statutory authority on which its substantive and procedural provisions rely.

## Conclusion

The proposed amendments move Chapter 204 in the right direction. I urge the Board to retain the expanded waiver protections.

But giving staff broader discretion without clear standards is not better protection.

*Merrill*, *Perr*, and *Fitanides* all reinforce the same basic principle: affected people must be able to determine their rights from standards established and disclosed in advance. That principle has particular force here because Merrill addressed MainePERS's waiver

[16] **§17106-A. Use of hearing officers.** (1) [in part] A decision of the board upon a recommended decision of the hearing officer constitutes final agency action.

authority under §17103(6), and Chapter 204 was adopted in 2016 to provide standards governing the exercise of that authority.

Members should not have to audit MainePERS, guess at unpublished standards, or spend years repaying an obligation after MainePERS has determined that collection creates hardship. Hardship must mean real relief—not merely a slower collection schedule.

The administrative and actuarial failures described in my preliminary statement make these safeguards more—not less—necessary. When MainePERS has made serious errors affecting benefits, records, and contribution calculations, Chapter 204 cannot presume that the agency is correct and place the burden on a disabled retiree to navigate vague standards or undisclosed procedures. The final rule must provide clear standards, meaningful relief, fair procedures, and accountability, especially when the person from whom MainePERS seeks repayment did not cause the error. Disabled retirees should not have to police the retirement system that exists to serve them. That is the Board's responsibility. Please use this rulemaking to fulfill it.

Respectfully submitted,

Susan M. Hawes
www.linkedin.com/in/suehawes

## Authorities Cited

1. 5 MRS §17054(3) — recovery of overpayments, interest, reasonable recovery practices, personal economic stability, and appeal of recovery decisions.
2. 5 MRS §17103(1), (2), (4), (6), (7) — Board responsibility for proper operation of the retirement system, policy and general supervision, rulemaking, waiver authority, and administrative and financial decisions.
3. 5 MRS §17105(1)(F) — duty, upon discovery of an error in a retirement system record, to correct the record to the extent practicable.
4. 5 MRS §17105-A — procedures for specified adverse staff decisions involving recoupment, suspension or termination of benefits, penalties, and interest.
5. 5 MRS §17106-A — hearing officers, recommended decisions, Board action on recommended decisions, and final agency action.
6. 5 MRS §17451 — appeals from Chief Executive Officer decisions to the Board and judicial review of Board decisions.
7. *Merrill v. Maine Public Employees Retirement System*, 2014 ME 100, 98 A.3d 211 — waiver authority under 5 MRS §17103(6) and the due-process requirement that waiver decisions be made according to standards made known to affected parties so they can present relevant evidence.
8. *Perr v. Board of Trustees of the Maine State Retirement System*, No. CV-92-345 (Me. Super. Ct., Kennebec Cty., May 7, 1993). The court relied on the principle expressed in *Fitanides v. Crowley*: an agency's standards must be sufficiently articulated so that affected people can "reasonably determine their rights." In practical terms, an agency cannot administer a benefit program through vague, undefined standards that leave important decisions largely to individual discretion. *Perr* further explained that the MainePERS Board of Trustees should determine the facts and apply the governing standard—not determine both the facts and the standard itself while deciding the case.
9. *Fitanides v. Crowley*, 467 A.2d 168, 172 (Me. 1983).
10. P.L. 2025, ch. 598, §28 —Legislative guidance provided elimination of existing reimbursement obligations arising from excess compensation under former 5 MRS §17906(1), 17930, 18506(1), and 18530.

## Attachments

CHIEF EXECUTIVE OFFICER
Dr. Rebecca M. Wyke

BOARD OF TRUSTEES
Brian H. Noyes, *Chair*
Richard T. Metivier, *Vice Chair*
John S. Beliveau
Shirrin L. Blaisdell
Kirk Duplessis
Nick Fuller Googins
John H. Kimball
Joseph C. Perry, *State Treasurer, Ex-Officio*

December 1, 2025

Penny LaGasse
[redacted]

Dear Penny:

During a recent review of the Disability Program, MainePERS identified an error in your earnings limitation amount. This affected the maximum amount you could have earned without exceeding your earnings limitation.

This was a MainePERS error, and we owe you a refund as a result for overearnings that were recouped in error. On January 30, 2026, MainePERS will deposit $84.45 for payments received in 2009. This amount reflects the difference between the earnings limitation used to determine your overearnings and the corrected earnings limitation.

You are also due interest of $185.95 which will be deposited on January 30, 2026. The interest portion of your payment is subject to state and federal income tax withholding, with a standard rate of 10% federal and 5% state income taxes. State income tax will not be withheld if you are not a Maine resident. To have no federal taxes or an additional amount withheld, please complete and return the enclosed withholding form (W-4R). If you are a Maine resident and wish to have additional or no state taxes withheld, please complete and return the enclosed state withholding form (W-4ME). Maine residents can only choose 0% state withholding when requesting 0% Federal withholding. If we do not receive withholding forms by December 31, 2025, we will withhold standard amounts. Not having enough tax withheld or paid during the year could leave you subject to tax penalties under federal and state of Maine laws.

We apologize for this error and any inconvenience it may have caused. If you have any questions, please contact Disability Services at (207) 512-3100.

Sincerely,

Jessa Mitchell
Disability Associate Specialist

Enclosure
W4-R
W4-ME

www.mainepers.org

LOCATION
139 Capitol Street, Augusta, ME 04330

LOCAL
207-512-3100

FAX
207-512-3101

MAILING ADDRESS
P.O. Box 349, Augusta, ME 04332-0349

TOLL-FREE
1-800-451-9800

MAINE RELAY
711

MainePERS
PUBLIC EMPLOYEES RETIREMENT SYSTEM

CHIEF EXECUTIVE OFFICER
Dr. Rebecca M. Wyke

BOARD OF TRUSTEES
Brian H. Noyes, *Chair*
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Kirk Duplessis
Nick Fuller Googins
John H. Kimball
Joseph C. Perry, *State Treasurer, Ex-Officio*

February 6, 2026

Penny LaGasse
[redacted]

Subject: Retroactive Disability and Service Retirement Benefits

Dear Penny:

In a letter dated December 1, 2025, we notified you that a recent review of the Disability Program identified an error in your earnings limitation amount that affected the maximum amount you could have earned in 2008 without exceeding your earnings limitation. In January 2026, you received payment and interest for an overpayment recouped in error.

That recalculation prompted a review of your earnings history and MainePERS has found that you are also due retroactive disability and service retirement benefits. The substantially gainful activity amount that required termination of your disability benefit in effect in 2008 was $22,033.32. Your earnings for that year of $22,117.77 exceeded that amount and your disability benefit was terminated effective March 31, 2009. The updated earnings limitation for 2008 is $26,035.35 which is less than your reported earnings for that year. As a result, your disability benefit should not have been terminated at that time.

Documentation you provided from the Social Security Administration shows that your earnings in 2010 were $27,345.00. This amount exceeds the recalculated substantially gainful activity amount of $26,035.35 for 2010 by $1,309.65 and would have resulted in termination of your disability benefit at the end of 2010. As a result, your disability benefit should have remained in effect from April 1, 2009 until December 31, 2010 and you are due those retroactive benefits less the $1,309.65 of overearnings. You are owed benefits the amount of $23,398.32plus interest of $42,878.70.

These additional disability retirement benefits resulted in a recalculation of your service retirement benefit and you are due $4,065.44 in retroactive benefits plus $862.23 in interest. Additionally, your monthly service retirement benefit has been increased to $725.63 beginning February 1, 2026.

Although you are eligible to roll over all or a portion of the retroactive benefit amounts into an IRA, Roth IRA, 403(b) or 457(b) account, you have opted to receive the amount as a lump sum payment. A deposit for the retroactive benefit amounts of $23,398.32 and $4,065.44 will be deposited in the same account used for your regular monthly benefit payment on February 27, 2026.

The interest portion of your payment is subject to state and federal income tax withholding, with a standard rate of 10% federal and 5% state income taxes. State income tax will not be withheld

www.mainepers.org

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139 Capitol Street, Augusta, ME 04330

MAILING ADDRESS
P.O. Box 349, Augusta, ME 04332-0349

LOCAL
207-512-3100

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1-800-451-9800

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MAINE RELAY
711

MainePERS
PUBLIC EMPLOYEES RETIREMENT SYSTEM



if you are not a Maine resident. To have no federal taxes or an additional amount withheld, please complete and return the enclosed withholding form (W-4R). If you are a Maine resident and wish to have additional or no state taxes withheld, please complete and return the enclosed state withholding form (W-4ME). Maine residents can only choose 0% state withholding when requesting 0% Federal withholding. If we do not receive withholding forms by March 1, 2026, we will withhold standard amounts and deposit the interest due to you on March 27, 2026. Not having enough tax withheld or paid during the year could leave you subject to tax penalties under federal and state of Maine laws.

We apologize for this error and any inconvenience it may have caused. If you have any questions, please contact Disability Services at (207) 512-3100.

Sincerely,

Stephanie Whitney

Disability Services
Business Leader

Enclosure
Special Tax Notice
W4-R
W4-ME
Return Envelope

**MAINEPERS**

**BOARD OF TRUSTEES MEMORANDUM**

**TO:** BOARD MEMBERS

**FROM:** DR. REBECCA M. WYKE, CEO

**SUBJECT:** CEO REPORT

**DATE:** SEPTEMBER 30, 2026

**FY2026 Year End**

At the October meeting, the Board will vote on the acceptance of the FY2026 valuation reports for the System's defined benefit plans. MainePERS experienced an investment return of 11.4% for the fiscal year. On a smoothed actuarial valuation of assets basis the return was 9.2%. Both measures are above the assumed rate of return, 6.5%. The market value of assets as of June 30, 2026, is $23.0 billion.

The actuarial value of assets (AVA) funded ratio for the State Employee/Teacher Plan increased from 87.6% in FY2025 to 91.4% in FY2026, while the calculated employer contribution rate remained stable at 20.0%. The AVA funded ratio for the PLD Consolidated Plan increased from 90.5% to 90.8%, while the calculated aggregate contribution rate increased from 19.0% to 19.8%. The Legislative and Judicial Plans' AVA funded status remain overfunded at 136.2% and 111.0%, respectively. The Legislative Plan continues to have a calculated employer contribution rate of 0%, while the Judicial Plan's rate is 1.58%.

Today you will also hear from BerryDunn about the audited financial statements for the year ending June 30, 2026. The System's fiduciary net position as of June 30, 2026 is $24.9 billion, an increase of $2.4 billion, or 10.7%, largely driven by strong investment returns.

**Strategic Plan Update & Key Performance and Risk Measures**

The current Strategic Plan was adopted by the Board of Trustees in August 2022. Attached is a memorandum entitled Strategic Plan Update – Year IV, along with updated key performance and risk measures.

# MAINEPERS

# BOARD OF TRUSTEES MEMORANDUM

**TO:** BOARD MEMBERS

**FROM:** DR. REBECCA M. WYKE, CEO

**SUBJECT:** 5-YEAR STRATEGIC PLAN UPDATE – YEAR IV

**DATE:** SEPTEMBER 30, 2026

## POLICY REFERENCE

Board Policy 4.5 – Board/Staff Relations
Board Policy 4.6 – Communications and Support to the Board

In August of 2022, the Board of Trustees adopted a 5-Year Strategic Plan. Much work has been done over the past four years to implement and operationalize the Plan. The focus of this report is to update the Board on the progress made in the fourth year of the Plan, September 2025 through August 2026.

This work advanced each of the six goals under the plan:

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

The four legislatively directed objectives in the Strategic Plan were substantially completed in the first year of the plan, including: a study on potential public plan options that include social security (Resolves 2021, c. 66 & 72), responding to the divestment legislation (PL 2021, c. 231 & 234), expanding the availability of defined contribution plans to teachers (PL 2021, c. 548), and exploring mandatory long-term disability insurance coverage (PL 2021, c. 277).

In relation to ***Goal I. Preservation of the Trust Fund***, a Board Work Plan for 2026 was adopted by the Board in November 2025. The Plan maps the Board's responsibilities as outlined in Maine law and Board Policy to the monthly meeting agenda and includes a frequency schedule to guide the annual update of the Plan. The Trustee Charter, which was adopted by the Board in March 2023, was reviewed and affirmed in November 2025. The Charter sets forth the Board's principles, duties, and oversight responsibilities for the Governance of MainePERS and its programs. Additionally, the Board reviewed and updated (as needed) more than a third of its

policies in the Board Governance Manual over the past year, consistent with its three-year review cycle.

Transparency efforts regarding Board operations continued, and all public meeting materials were posted on the MainePERS website in advance of meetings, in addition to agendas and minutes. These materials are archived on the website so members of the public may easily review prior meeting materials. MainePERS also posts materials for the Finance and Audit Committee and the PLD Advisory Committee online. Additionally, all Board and Committee meetings may be viewed live via an online webinar platform.

The Board conducted its annual self-evaluation in September 2025. As part of this process the Board received its annual education on best practices in Board governance. Following receipt of the Board's input on educational needs, an Education Plan was developed and presented to the Board in October 2025. The Plan includes educational presentations during Board Meetings, trustee seminars conducted by national associations, and materials for self-study. As part of this plan, fiduciary education was offered by the Board's governance consultant in April 2026, outlining the legal framework of the Trustee's fiduciary duties. The Board received required training on the Maine Freedom of Access Act, as well as quarterly investment and annual actuarial practices education. In addition, the Board received "mission moments" – introducing the Board to various programs within MainePERS – on a variety of topics, including: the enterprise risk management plan, the preliminary to final benefit process, the disability retirement program, the business continuity program, the succession planning process, the communications program, the information technology security program, the artificial intelligence policy, and two presentations on the pension administration system project.

One new Trustees was welcomed to the Board this past year. Onboarding for the new Trustee representing the Maine Education Association occurred in July 2025. The orientation, delivered by senior management, included the governance framework, fiduciary duties, actuarial valuation, rate-setting, cost-of-living increases, finances, investments, member services and employer services.

Through its Finance and Audit Committee, Trustees reviewed the 2025 Annual Comprehensive Financial Report prior to its acceptance by the Board, with MainePERS receiving a "clean" audit for the year from its external auditor, Berry Dunn. For the twenty-second year in a row MainePERS was awarded a certificate of achievement for excellence in reporting from the Government Finance Officers Association. The FY 2027 Annual Administrative Operations and Investment Operations Budgets were reviewed by the Finance and Audit Committee prior to their adoption by the Board. The budgets were developed to support ongoing operational needs as well as the Strategic Plan, in particular the development of the new pension administration system. FY 2026 ended within the respective administrative and investment operations budgets as approved by the Board.

The Finance and Audit Committee also oversaw the outsourced internal audit program. Audits were completed for human resources practices, death benefit processing, the employer auditing program and the vendor management program. The Committee reviewed the updated enterprise risk management plan and the 2026-27 internal audit plan, which includes upcoming audits for compensation, freedom of access compliance, refunds processing, lease schedules and fixed assets. Additionally, the Committee reviewed employer account reconciliations, currently 81% reconciled, as well as status updates on employer reporting issues.

The investment team, working with Cambridge Associates, began a review of the system's strategic asset allocation in June 2025. This review included an asset-liability study conducted by the Board's actuary reviewing eight potential asset allocations for the State Employee and Teacher Plan and the Participating Local District Consolidated Plan. Over the next several months, the investment team led a process with the Board to review the results of this study, culminating in the Board's approval of an updated asset allocation consistent with a moderate reduction in the plans' risk profiles in November 2025.

The Board reviewed private markets governance, investment fees, and a peer risk study with the investment team and consultants. The Board also reviewed actuarial best practices against peers with its actuary. Staff presented information on compliance with the divestment legislation and related investment policy statement provisions, updated the Board on the status of fossil fuel investments, and presented the final Divestment Report for the Legislature to the Board in December 2025. The Board also consulted Assistant Attorneys General Tim Steigelman and John Nichols, in executive session, concerning the Board's legal rights and duties related to the divestment legislation.

From an investment perspective, the System's portfolio benefited from a third consecutive year of strong investment performance. Preliminary earnings for FY2026 are 11.6%, and the preliminary trust fund balance is $23 billion. Investment returns reported by the System's custodian for the 5 and 10-year periods ending June 30, 2026, were 7.4% and 9.4%, respectively, which are above the assumed rate of return of 6.5%. For the eighteenth consecutive year, MainePERS received the Public Pension Coordinating Council's Recognition Award for Funding in recognition of adherence to best practices in maintaining plan funding.

Under ***Goal II – Stability of the Contribution Rates***, the Board reviewed and approved the FY 2025 actuarial valuations and reviewed the status of the State Employee and Teacher Plan unfunded actuarial liability in October 2025. On an actuarial basis for FY 2025, the trust fund had an investment return of 8.0% (market value of assets, 9.3%). The State Employee and Teacher Plan is 87.6% funded and the calculated employer contribution rate was stable at 20.0%. The Legislative and Judicial Plans remain fully funded at 135.9% and 108.7%, respectively. In anticipation of the FY 2026 valuation, the Board also reviewed the actuarial economic assumptions in June 2026.

MainePERS administered the award of the annual cost-of-living adjustment for the State-sponsored Plans. The Consumer Price Index-Urban (CPI-U) for the twelve months ended June 30, 2025, was 2.7%. Pursuant to Maine law, the Board of Trustees awarded an annual cumulative COLA of 2.7% in September 2025.

The Participating Local District (PLD) Advisory Committee reviewed the actuarial valuation approved by the Board for the PLD Consolidated Plan. On an actuarial basis for FY 2025, the Plan is 90.5% funded. Additionally, the employer/employee rates for the PLD Consolidated Plan were recommended by the PLD Advisory Committee and established pursuant to the authority granted by the Board to the Chief Executive Officer. The aggregate contribution rate for the PLD Consolidated Plan is 19.0%.

MainePERS also administered the award of the annual COLA adjustment for the PLD Consolidated Plan. Pursuant to Maine law and rule, the Board of Trustees awarded an annual cumulative COLA of 2.5% in September 2025.

Employers and other stakeholders were informed of funding trends through scheduled meetings with representatives of State government and the PLD Advisory Committee, as well as other communications. The Legislative committees of jurisdiction were also informed through the Annual Report to the Legislature in March 2026.

In spring 2026, the Board reviewed the results of the experience study for the State Employee and Teacher Plan and the PLD Consolidated Plan and approved minor adjustments to the demographic assumptions. In June 2026, the Board amended its funding policy to allow for the adjustment of amortization periods within Constitutional and policy limits in order to manage the volatility of contributions rates following the retirement of the legacy 1996 unfunded actuarial liability (UAL) of the State Employee and Teacher Plan. The Board reviewed the group life insurance premium study and approved rates in August 2026. As required by Board Policy, the Board also reviewed the results of the actuarial audit conducted by GRS at its September 2026 meeting.

For ***Goal III – Security and Integrity of our Information Systems***, staff have been focused on developing the new pension administration system (PAS). MainePERS' current system is at end of life and in need of replacement. Planning for this transition began in fall 2022. A Request for Proposals (RFP) was developed and issued in May 2024, and the contract was awarded to Sagitec Solutions for their Neospin™ system in October 2024. The project officially kicked off in April 2025, following the conclusion of contract negotiations. The project has concluded the project inception and planning phase, including project governance and management plans, and the detailed business process reviews and requirements confirmation. The current phase of the project is focused on configuring the Neospin system to meet our requirements, a process that is expected to take the next two years. Work continues on infrastructure and environments, as well as data cleansing with more than 450,000 data points having been addressed to date. Staff also created a data map to support conversion of data from the legacy system to the new PAS. Overall, the project continues to be on track for quality, scope, schedule, and resources.

We completed 14 cybersecurity exercises over the past year, including: web application penetration testing, external and internal penetration testing, a social engineering physical breach test, and a tabletop exercise focused on artificial intelligence. We implemented the Fortinet network security firewall solution to enhance our security posture and rolled out FortiClient VPN for secure remote connectivity. Staff also received cybersecurity training to educate and guard against various threats, as well as training on the appropriate use of artificial intelligence.

Development of a comprehensive member education, communications, and service model that supports planning for retirement security is a key strategic objective under ***Goal IV – Cultivation of a Member-centric Organization***. This past year MainePERS conducted 37 webinars covering 8 different topics that were attended by more than 900 members. Additionally, MainePERS participated in webinars and in-person educational sessions organized by others.

We published three member newsletters this past year, one targeted with information just for retirees, another with information just for active members, and a third that was sent to all. We also participated in the annual meetings for MEA-Retired, MSEA-Retired, and Maine Association of Retirees as a vendor to meet with members, provide information and answer questions.

The benefit estimator, introduced in February 2023, continues to be a popular tool for members to aid in their retirement planning with average monthly usage of 1,200 in 2026.

Staff continue to monitor all key workflow metrics on a weekly basis and have eliminated many of the backlogs in existence when the Strategic Plan was developed, including the backlogs in service retirement estimates, member requests for benefit verifications, beneficiary elections, and member account statements, and processing times for these requests continue to be current.

The only significant remaining backlog is in moving retired members from a preliminary to a final benefit. The roots of this backlog are complex, and the solution lies in streamlined processes, additional staffing, and enhanced technology. The staff have implemented several process changes to better manage this work. The Board also approved additional staff positions to keep pace with our expanding membership rolls, while plans to develop a new pension administration system are well underway. The process changes and additional staffing are making a difference, and the pending queue was reduced by more than 50% from June 2025 to June 2026.

In the first year following the establishment of the strategic plan, we reported that MainePERS conducted an extensive review of the disability retirement program following the implementation of Public Law 2021, c. 277. Both the law and the review focused on the application process for disability retirement. Other improvements to the disability retirement program over the past few years include: use of the Social Security Administration's compassionate allowance list; guidance on the definition of "earnings"; introducing a formal waiver process for the annual statement of compensation; removing the continuous service requirement from the standard for pre-existing conditions; and removing the offset for Social Security. This past year we focused on the experience of members receiving a disability retirement benefit and through process changes and legislation made additional member-focused improvements, including: streamlining eligibility determinations; simplifying earnings limitations; and eliminating the collection of overpayments.

Our most recent survey of members who have completed the disability retirement application process since the prior survey was conducted in July 2026. Ninety-three percent (93%) of those responding were satisfied or very satisfied that the process was fair, while 2 respondents were neutral. One hundred percent (100%) of respondents agreed or strongly agreed that they were treated with respect and had their questions responded to in a timely manner.

Perhaps one of the most significant achievements highlighted in the Year I update on the Strategic Plan was the development and launch of the member portal for which a phased rollout began in fall 2023. To date over 38,000 members have registered for the portal. Members use the portal to access forms, as well as to review member statements and tax information. Members have also used the portal to update their own demographic information with over 6,000 transactions to date.

MainePERS conducted its most recent annual member survey for active and retired members March 30 through April 16, 2026. Ninety-six percent (96%) of retirees and 61% of active members indicated they were "satisfied" or "very satisfied" with MainePERS. Ninety-three percent (93%) of retirees and 70% of active members stated they "agree" or "strongly agree" that MainePERS acts with integrity. And, 81% of retirees and 46% of active members "agree" or "strongly agree" that MainePERS staff are knowledgeable.

Under ***Goal V – Development of Stakeholder Relations***, MainePERS staff have continued to focus on improving stakeholder relations with our more than 500 employers. Last year we convened a new Employer Advisory Panel which now meets quarterly. The Panel has more than 20 members representing both large and small employers, as well as a diverse group of school districts, municipalities, local authorities, and the state of Maine. The Panel provides our employer partners with a conduit for input into the development of the new pension administration system, training materials, and planning for transition to the new system, as well as an opportunity to discuss other issues of mutual interest.

Monthly online training sessions are available to MainePERS' employers covering employee eligibility and enrollment, as well as basic navigation within the employer portal. Employers also receive a quarterly newsletter with information on payroll filing deadlines, training opportunities, tips for using the employer portal, and upcoming events and deadlines. User manuals for the employer portal are available on our website along with quick reference guides and training videos.

The most recent employer satisfaction survey was held in September 2025. Eighty-four percent (84%) of employers were "satisfied" or "very satisfied" with MainePERS, compared to 78% the previous year. The next employer survey will be held September 28 through October 9, 2026.

MainePERS worked closely with the Participating Local District (PLD) Advisory Committee, whose membership includes five employer representatives and five employee representatives. Committee members received education and informational updates, and multiple new members received onboarding. Over the past year, the Committee reviewed information on the PLD Consolidated Plan, developed contribution rates, and reviewed department legislation regarding the disability retirement program. Participation in the PLD Consolidated Plan continues to grow. The Plan grew by 12 new employers and 353 active members in FY 2026. In addition, the MaineSTART program grew employer participation by 10% and member participation by 9%.

MainePERS also worked closely with member organizations representing our active and retired members. We met with leaders of the Maine Education Association (MEA) and Maine Service Employees Association (MSEA) during the year in regard to both specific items as well as general discussion. Representatives of both these associations were in communication with us on pending legislation and questions on the defined benefit plans. Regular articles were drafted by MainePERS for the newsletters of the Maine Association of Retirees and MEA-Retired. As noted under Goal IV, we supported retirees by participating in the annual meetings for MEA-Retired, MSEA-Retired, and Maine Association of Retirees. We also supported employer organizations by participating in the annual meetings of the Maine Municipal Association, the Maine School Management Association, the Maine Local Government Human Resources Association, and the Maine Government Finance Officers Association.

In the last legislative session MainePERS reported on divestment and ESG, and provided our annual report on operations. We also worked closely and collaboratively with members of the Committee and other stakeholders on legislation impacting MainePERS members. In particular, we advanced successful legislation to make further member-friendly improvements to the disability retirement program. Senior leaders met with legislators, members of the Governor's administration, labor unions, and other stakeholders on request to discuss issues related to services, legislation and investments. Stakeholders were also kept informed via email on important issues.

At the time the Strategic Plan was being developed, a sixth Goal was recommended by staff and adopted by the Board of Trustees, ***Goal VI – Foster an Engaged Workforce that Advances the Organization's Mission***. The Organizational Values Steering Committee was chartered in fall 2022 to guide the work of institutionalizing the organizational values developed by the staff as part of the strategic planning process. The Steering Committee is staff-led and promotes interdepartmental communication and collaboration as we work to bring all MainePERS staff into one cohesive team. Over the last four years the Committee has worked to improve employee-facing system policies, organizational communication, and collaboration on system-wide projects. Recently, as part of the strategic plan refresh, the committee surveyed co-workers on the organizational values and staff subsequently voted on some minor revisions that will come forward to the Board this fall. The committee is currently conducting a set of listening sessions with staff.

The staff-led Events Committee continues to plan social engagements and employee recognition events. The senior management team also organized and staffed the fifth annual cookout as a thank you to our employees for their work on behalf of our members. We continue to produce a bi-monthly employee newsletter to keep everyone up to date on staff comings and goings, upcoming events, important reminders, policy updates, and other items of interest. In addition, monthly lunch and learn sessions have continued, topics included: employment benefits; service animals in the workplace; artificial intelligence; imposter syndrome; retiree health insurance; freedom of access law; and a variety of user application sessions hosted by our IT team.

In the first year of the strategic plan, we revamped the onboarding program for new staff to include education on MainePERS' governance, mission, vision, and strategic plan, which is led by senior managers. Members of the Organizational Values Steering Committee also participate in these sessions by presenting the organizational values. The program was expanded a few years ago to include cross-departmental presentations as part of the onboarding process to promote communication and collaboration among departments. The peer contact program continues, where a veteran employee is paired with a new hire to assist with orientation. All of these efforts have resulted in positive feedback from new hires as measured through a survey conducted by human resources.

Senior leaders develop annual training plans to support the development of their respective staff. Three MainePERS staff members have now completed course certification in organizational change management and four staff members have completed a course in artificial intelligence. Leadership development for employees is supported through the Kennebec Leadership Institute with two additional participants enrolled for fall 2026. The supervisory training series continues, supporting both new and veteran supervisors. Work on inclusion and belonging also continues through regular training offered through our online training academy. A special two-hour education session for senior leaders and supervisors was held last year on understanding implicit bias and that same education is currently being rolled out to staff.

Employee turnover was slightly higher compared to last year but has remained relatively stable for the past three years. Turnover was 12% in 2025 compared to 11% in 2024, versus 13% in 2023 and 22% in 2022. Korn Ferry has been engaged to complete a compensation study this fall in anticipation of the next collective bargaining agreement. The last study was completed in 2023.

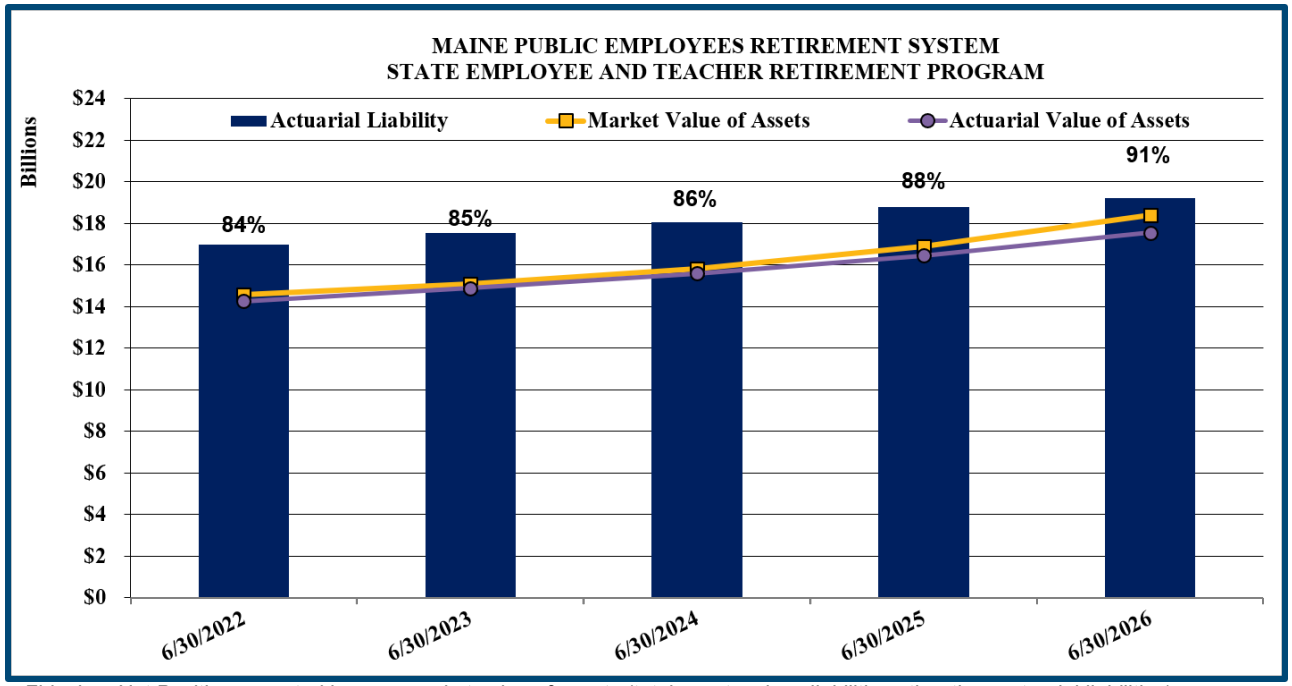
The most recent employee satisfaction survey was conducted in January 2026. The survey's response rate was 74%, of those responding 88% stated they "agree" or "strongly agree" they are satisfied with their job versus 74% in 2023. Additionally, 86% stated they "agree" or "strongly agree" they would recommend MainePERS as a great place to work versus 61% in 2023.

**Conclusion**

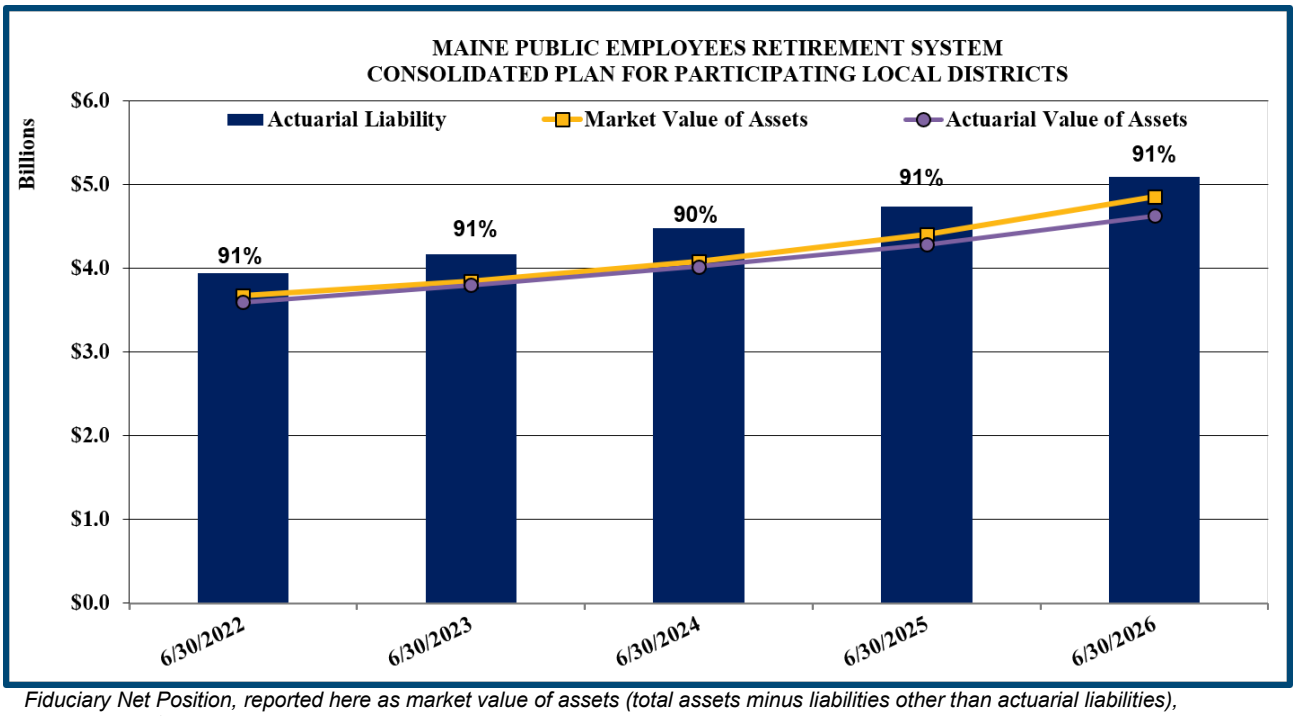
Over the past four years, much has been accomplished to move the Strategic Plan adopted by the Trustees forward and the momentum continues. The focus over the next two years will largely remain on the development of the new PAS to ensure successful implementation. As previously discussed with the Board, a "refresh" of the Strategic Plan will be brought to Trustees this fall to ensure the relevance of the Plan through the end of the PAS development. On behalf of the staff at MainePERS, I am pleased to offer this update on the progress of the Plan and look forward to accomplishing more in the year to come.

# Key Performance and Risk Measures

## Funding Ratio, Actuarial Liability, and Market Value of Assets




*Fiduciary Net Position, reported here as market value of assets (total assets minus liabilities other than actuarial liabilities), on 6/30/2026 is $18.4 billion. The funded ratio is based on the actuarial value of assets.*

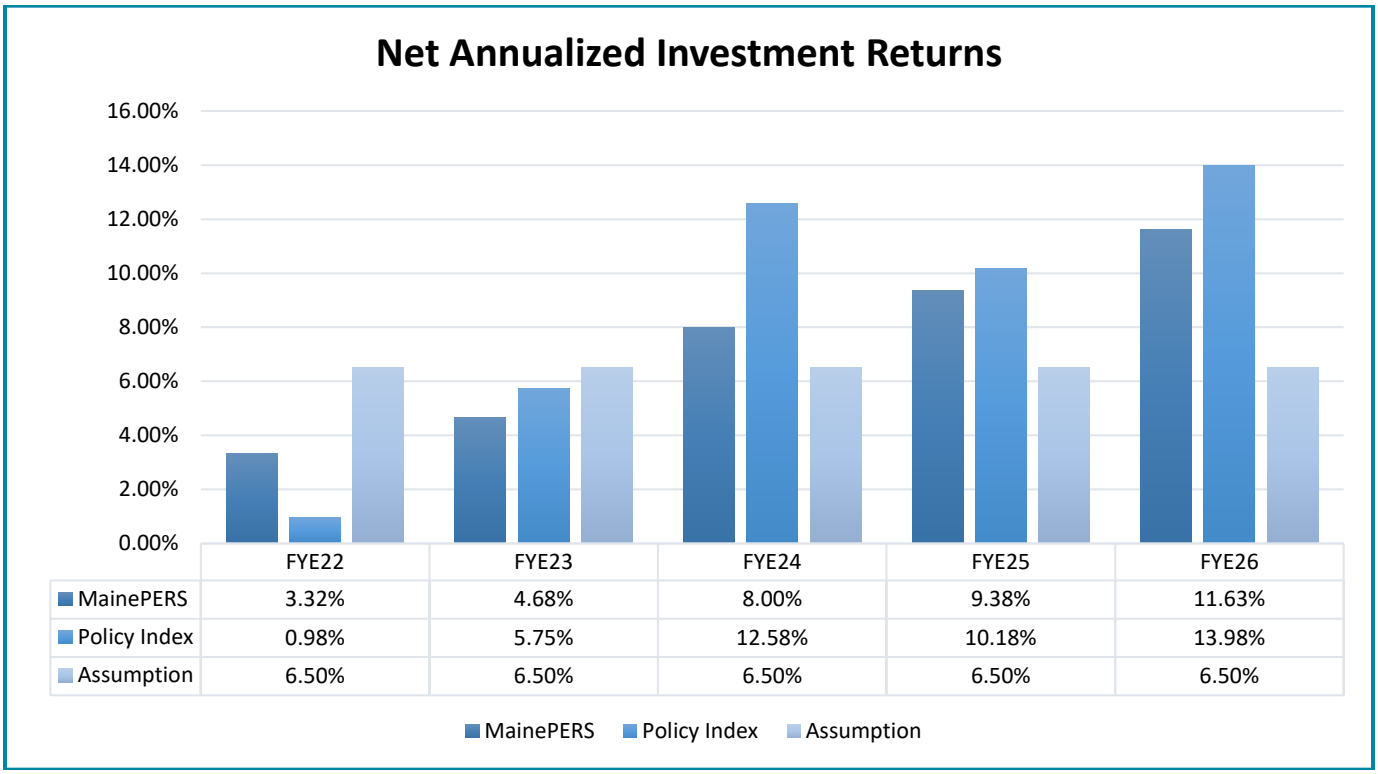



*Fiduciary Net Position, reported here as market value of assets (total assets minus liabilities other than actuarial liabilities), on 6/30/26 is $4.9 billion. The funded ratio is based on the actuarial value of assets.*

***Legislative Plan**: funded status is 136% and Fiduciary Net Position is $20.4 million on 6/30/26.*
***Judicial Plan**: funded status is 111% and Fiduciary Net Position is $99.8 million on 6/30/26.*

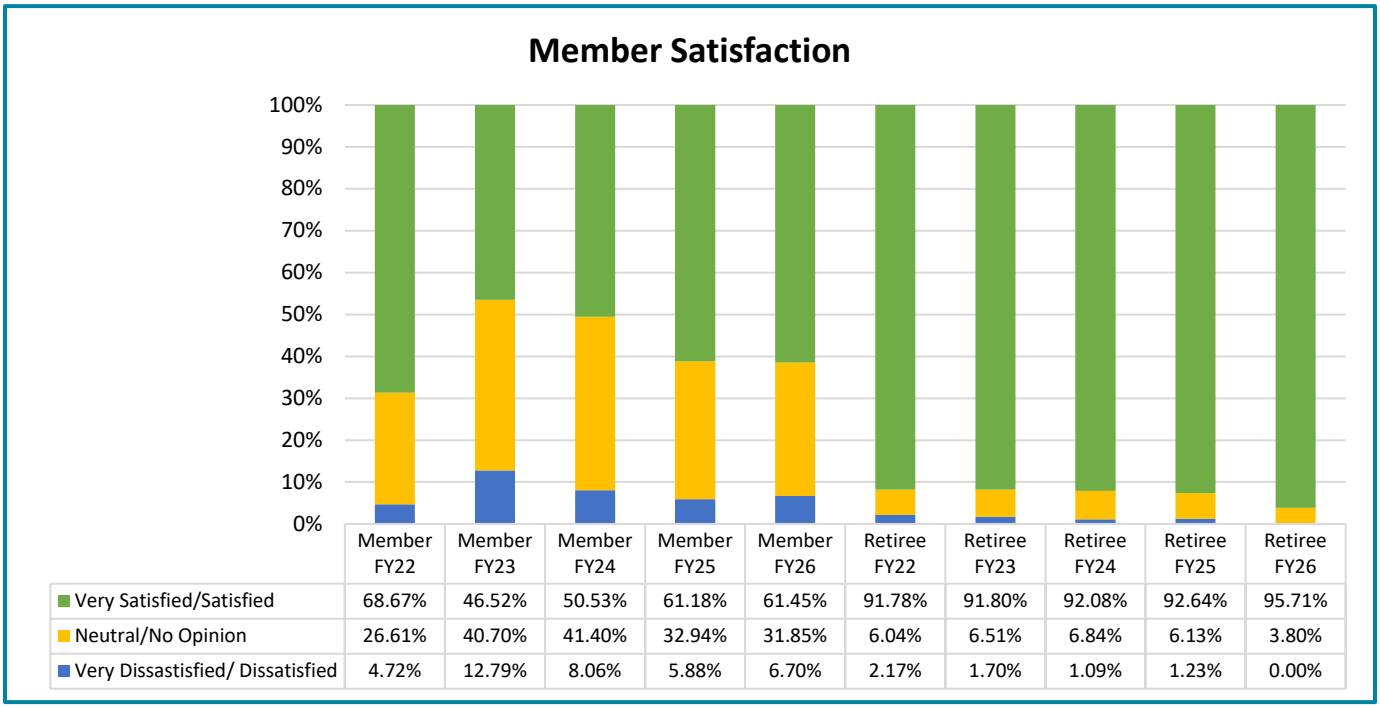
*The two charts on this page cover key performance and risk measures I, V, and VI under the Strategic Plan.*

# Key Performance and Risk Measures




| | FYE22 | FYE23 | FYE24 | FYE25 | FYE26 |
|---|---|---|---|---|---|
| MainePERS | 3.32% | 4.68% | 8.00% | 9.38% | 11.63% |
| Policy Index | 0.98% | 5.75% | 12.58% | 10.18% | 13.98% |
| Assumption | 6.50% | 6.50% | 6.50% | 6.50% | 6.50% |

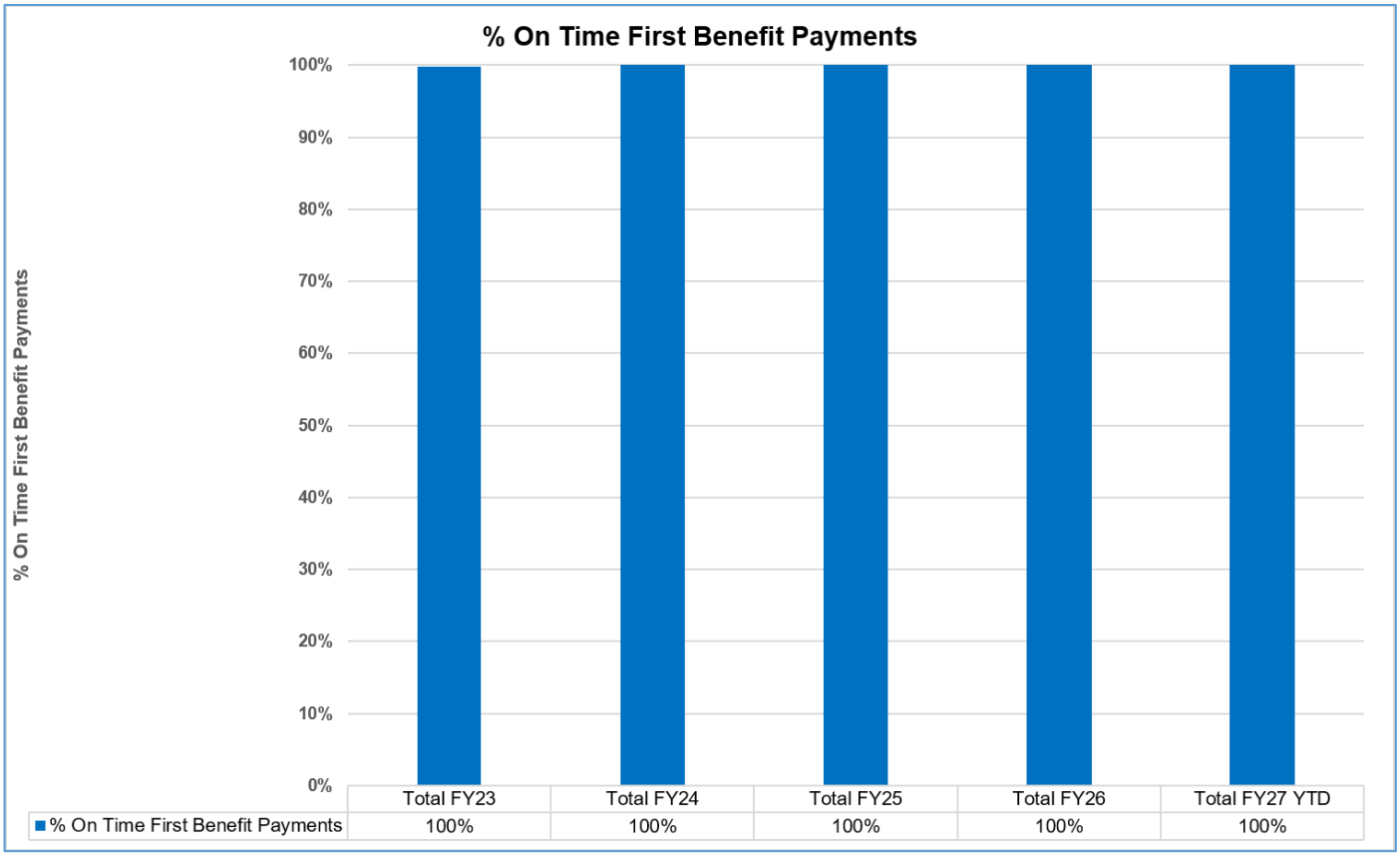
*This chart covers key performance and risk measure II under the Strategic Plan.*

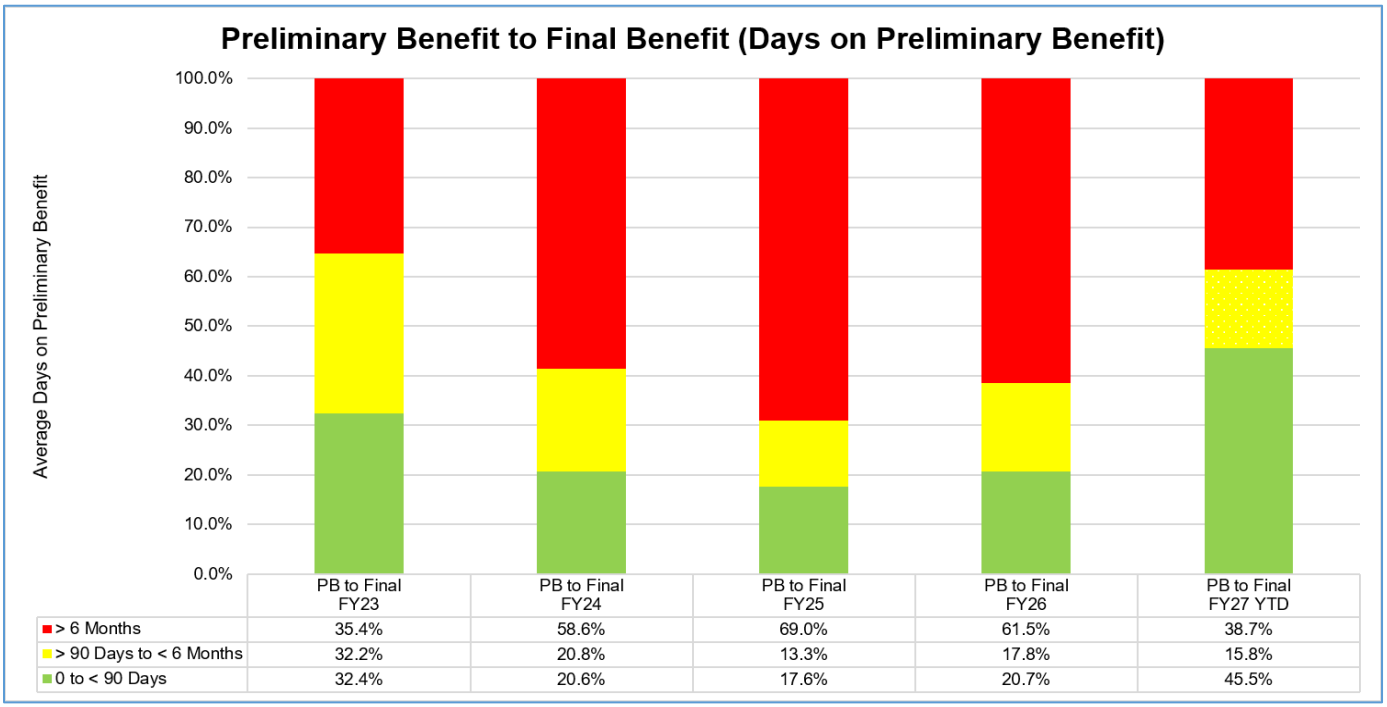



| | Member FY22 | Member FY23 | Member FY24 | Member FY25 | Member FY26 | Retiree FY22 | Retiree FY23 | Retiree FY24 | Retiree FY25 | Retiree FY26 |
|---|---|---|---|---|---|---|---|---|---|---|
| Very Satisfied/Satisfied | 68.67% | 46.52% | 50.53% | 61.18% | 61.45% | 91.78% | 91.80% | 92.08% | 92.64% | 95.71% |
| Neutral/No Opinion | 26.61% | 40.70% | 41.40% | 32.94% | 31.85% | 6.04% | 6.51% | 6.84% | 6.13% | 3.80% |
| Very Dissastisfied/ Dissatisfied | 4.72% | 12.79% | 8.06% | 5.88% | 6.70% | 2.17% | 1.70% | 1.09% | 1.23% | 0.00% |

*This chart covers key performance and risk measure IV under the Strategic Plan.*

# Key Performance and Risk Measures




*This metric changed in FY23 from a measure of how long the Pension Retirement Workflow was open (PRW-O) to a measure of days since the first preliminary benefit payment was made.*

*The two charts on this page cover key performance and risk measure III under the Strategic Plan.*

MainePERS
PUBLIC EMPLOYEES RETIREMENT SYSTEM

# Strategic Plan

## Year IV Update to Board of Trustees

October 8, 2026

Dr. Rebecca Wyke, CEO

# Mission, Vision and Values

## Mission

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

## Vision

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

## Values

Accountability – Respect – Collaboration – Stewardship – Agility

# Goal I. Preservation of the Trust Fund

- Trustee charter
- Annual Board work plan
- 3-year policy review cycle
- Board education plan
- Board self-evaluation
- Board management system – Govenda
- Finance & Audit Committee
  - Budget & finance oversight
  - Internal audit
  - Employer reporting
  - Enterprise risk management
- Annual external financial audit
- Annual plan valuations
- 5-Year experience study
- 5-Year actuarial audit
- Asset & liability studies
- Strategic asset allocation
- Staff succession planning
- Public website & live webinar for Board of Trustee meetings
- GFOA Excellence in Reporting Certificate, 22nd year
- PPCC Funding Recognition Award, 18th year

# Goal II: Stability of the Contribution Rates

- Funding policy to manage contribution rate volatility:
  - 3-year actuarial asset smoothing
  - Layered amortization
  - Adjusting amortization periods
- Annual plan valuations
- Reporting on funding trends
  - Legislature
  - Members
  - Stakeholders
- Contribution rate-setting
- Annual COLA administation

# Goal III: Security and Integrity of our Information Systems

- New PAS system development
- Data cleansing project
- Fortinet network security firewall
- FortiClient VPN secure remote connectivity
- Staff education:
  - AI policy
  - Fraud prevention
  - Cybersecurity
- NIST cybersecurity framework
- 14 cybersecurity exercises
  - Internal and external penetration testing;
  - Web application penetration testing; and
  - Social engineering physical breach test
  - Tabletop exercise focused on AI

# Goal IV: Cultivation of a Member-centric Organization

- Member education
  - 37 webinars, more than 900 attendees
- Benefit estimator
  - More than 1,200 scenarios per month
- Member portal
  - 38,000 registrants, 6,000 transactions
- Reduced backlogs
  - PB to final benefit workflows reduced by more than 50%, year over year
  - Other backlogs eliminated
- Disability retirement
  - Streamlined eligibility determinations
  - Simplified earnings limitations
  - Eliminated collection of overpayments
  - Disability survey
    - 93% felt process was fair (2 were neutral)
    - 100% felt they were treated with respect and their questions were responded to in a timely manner
- Member survey
  - 96% retiree satisfaction rating
  - 61% member satisfaction rating

# Goal V: Development of Stakeholder Relations

- Employers
  - Employer Advisory Panel
  - Training program
  - Quarterly newsletter
  - Employer survey, 84% satisfaction rating
- PLD Advisory Committee
  - Information sharing
  - Contribution rates
- Member organizations
  - Newsletter articles
  - Annual meetings
- Stakeholder meetings
  - Governor's administration
  - Legislature
  - Labor unions
  - Others
- Legislative reports
  - Divestment
  - ESG
  - Operations

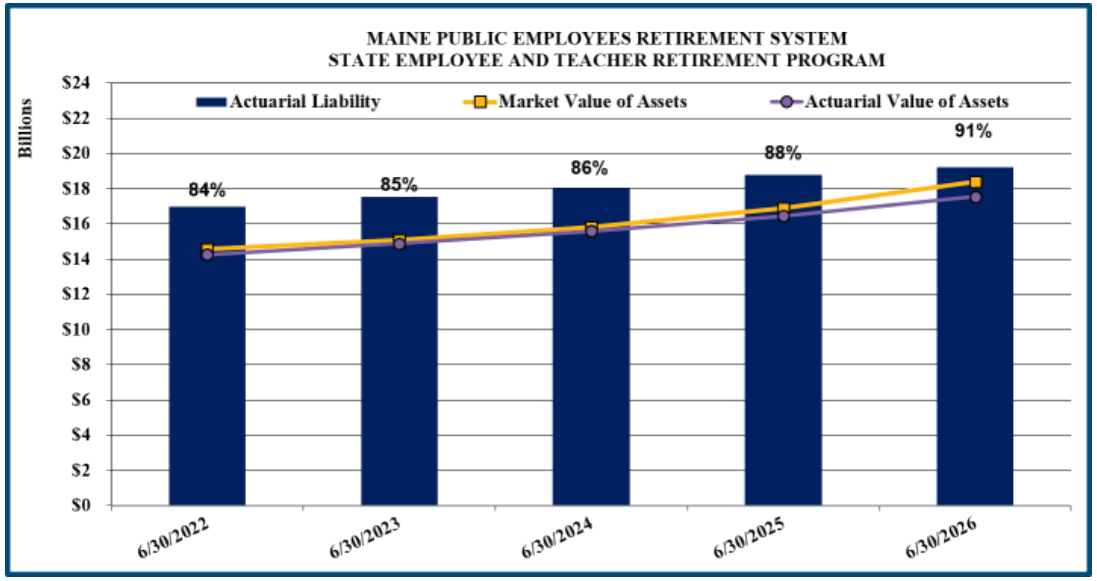
# VI. Foster an Engaged Workforce that Advances the Organization's Mission

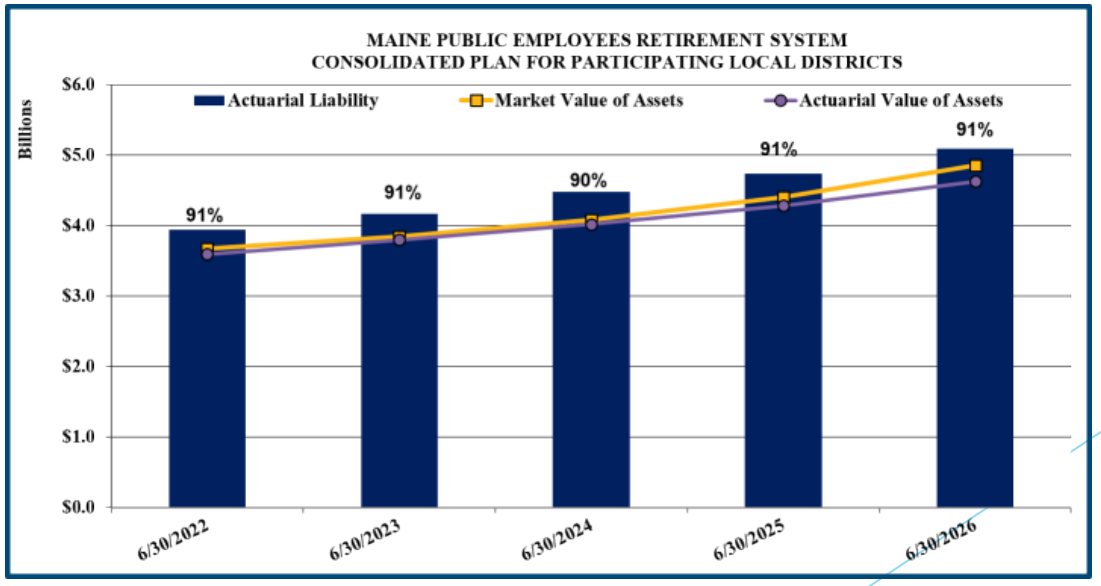
- Staff-led Organizational Values Steering Committee
  - Organizational Values
  - Communications
  - Collaboration
  - Employee-facing policies
- Staff-led Events Committee
- Employee newsletter
- Lunch & learns
- Staff training program
- Supervisor training program
- New employee onboarding
  - Governance & Strategic Plan
  - Cross-departmental introductions
  - Peer contact program
- Performance reviews
  - Employee self-evaluation
- Compensation study
- Reduced turnover, 12% in 2024 v 22% in 2022
- Employee survey, 88% job satisfaction rating v 74% in 2023

# Key Performance & Risk Metrics

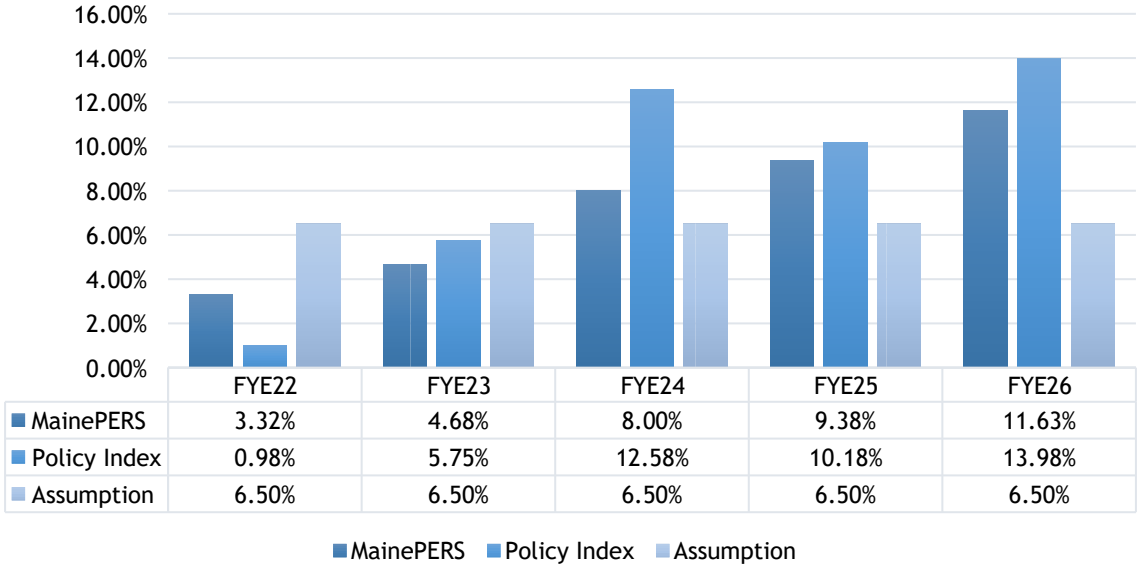
2026 Strategic Plan Update

# Funding Ratio, Actuarial Liability, and Market Value of Assets



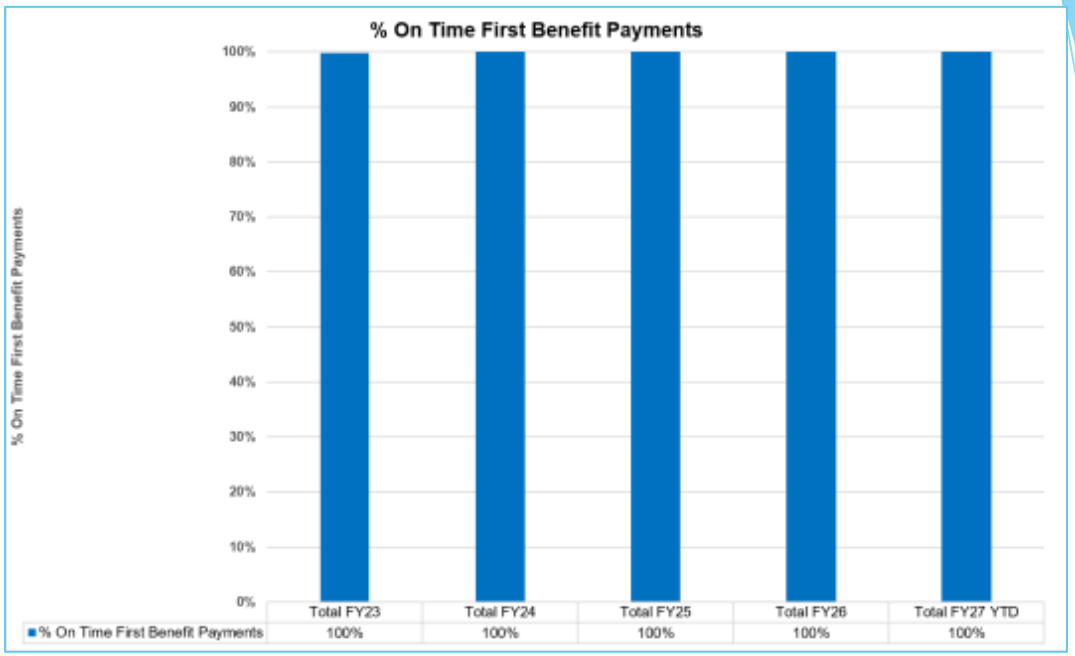
## Net Annualized Investment Returns

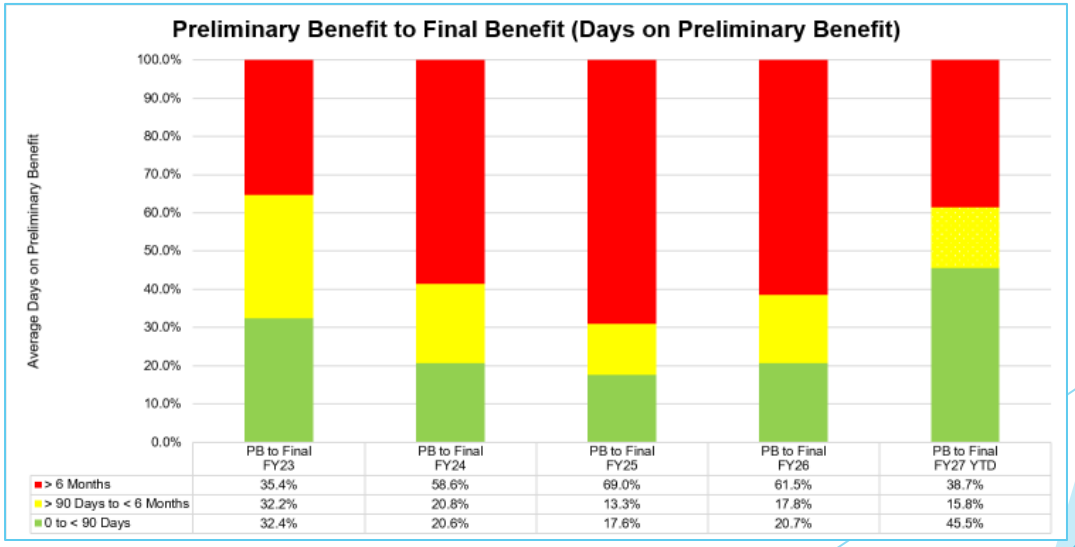



| | FYE22 | FYE23 | FYE24 | FYE25 | FYE26 |
|---|---|---|---|---|---|
| MainePERS | 3.32% | 4.68% | 8.00% | 9.38% | 11.63% |
| Policy Index | 0.98% | 5.75% | 12.58% | 10.18% | 13.98% |
| Assumption | 6.50% | 6.50% | 6.50% | 6.50% | 6.50% |

## Member Satisfaction

| | Member FY22 | Member FY23 | Member FY24 | Member FY25 | Member FY26 | Retiree FY22 | Retiree FY23 | Retiree FY24 | Retiree FY25 | Retiree FY26 |
|---|---|---|---|---|---|---|---|---|---|---|
| Very Satisfied/Satisfied | 68.67% | 46.52% | 50.53% | 61.18% | 61.45% | 91.78% | 91.80% | 92.08% | 92.64% | 95.71% |
| Neutral/No Opinion | 26.61% | 40.70% | 41.40% | 32.94% | 31.85% | 6.04% | 6.51% | 6.84% | 6.13% | 3.80% |
| Very Dissastisfied/ Dissatisfied | 4.72% | 12.79% | 8.06% | 5.88% | 6.70% | 2.17% | 1.70% | 1.09% | 1.23% | 0.00% |


% On Time First Benefit Payments
% On Time First Benefit Payments
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
Total FY23
Total FY24
Total FY25
Total FY26
Total FY27 YTD
% On Time First Benefit Payments
100%
100%
100%
100%
100%


Preliminary Benefit to Final Benefit (Days on Preliminary Benefit)
Average Days on Preliminary Benefit
100.0%
90.0%
80.0%
70.0%
60.0%
50.0%
40.0%
30.0%
20.0%
10.0%
0.0%
PB to Final FY23
PB to Final FY24
PB to Final FY25
PB to Final FY26
PB to Final FY27 YTD
> 6 Months
35.4%
58.6%
69.0%
61.5%
38.7%
> 90 Days to < 6 Months
32.2%
20.8%
13.3%
17.8%
15.8%
0 to < 90 Days
32.4%
20.6%
17.6%
20.7%
45.5%

# MAINEPERS

## BOARD OF TRUSTEES MEMORANDUM

**TO:** BOARD MEMBERS

**FROM:** CHIP GAVIN, CHIEF SERVICES OFFICER
KAREN DOYLE, CHIEF FINANCIAL OFFICER
JOY CHILDS, CHIEF TECHNOLOGY OFFICER
NANETTE ARDRY, GENERAL COUNSEL

**SUBJECT:** ADMINISTRATIVE REPORT

**DATE:** OCTOBER 1, 2026

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

### POLICY REFERENCE

Board Policy 4.5 – Board/Staff Relations

Board Policy 4.6 – Communications and Support to the Board

### PENSION ADMINISTRATION SYSTEM

1. PENSION ADMINISTRATION SYSTEM IMPLEMENTATION: Sagitec is currently reporting that all major monitoring areas of the project – schedule, budget/cost, scope, resources and quality – are green, as is the overall project status. An excerpt of Sagitec's monthly project status report is included below. The Project is now well into the subphase of the project referenced as Pilot 4.2.

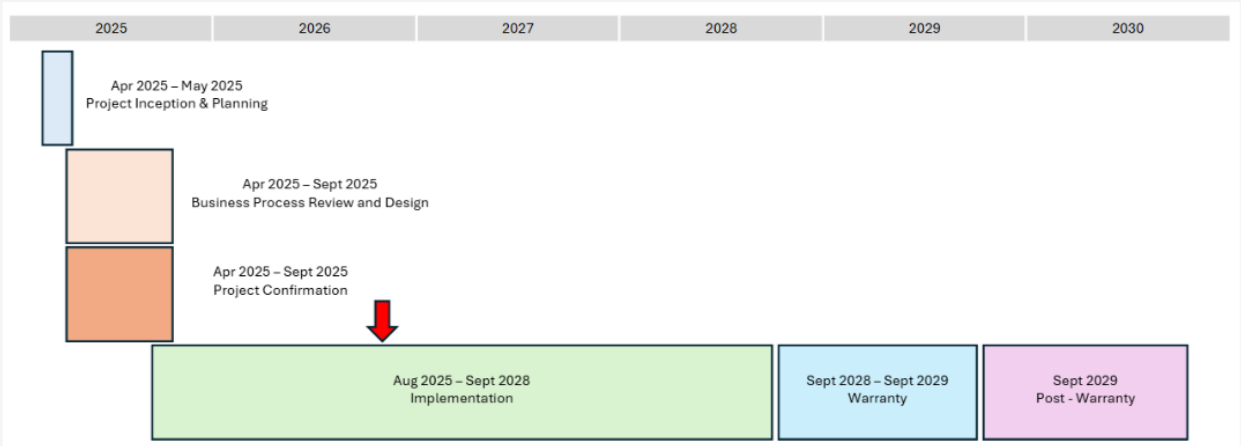
   The focus of the work in 4.2 has been and continues to be discussion and design of various elements of the new system. At the same time, data conversion is ongoing and work and attention is increasing on the pilot user verification, a type of project testing, which will occur at the end of 4.2. Similar testing occurred at the end of 4.1. The 4.2 pilot user verification testing is scheduled for the first quarter of calendar year 2027.

   Follow up from Pilot 4.1 remains on track. Approximately 95 percent of the issues identified during 4.1 testing in April and May have been resolved. Work on the remaining approximately 5 percent, or 6 total items, remains in progress.

   The project has now completed approximately 42 percent of the timeline between contract initiation and scheduled project launch. The project currently is scheduled to reach the ultimate go-live milestone in CY2028. This project is part of Goal III, Strategic Objective (B) and other related components of the Strategic Plan.

| | | | |
|---|---|---|---|
| **Overall** | | **Scope** | |
| **Schedule** | | **Resources** | |
| **Cost / Budget** | | | |
| **Project Manager** | Jason Tolentino | **Project Sponsor** | CEO Rebecca Wyke |
| **Project Start** | April 14, 2025 | **Project End** | Go-live June to Sept 2028. One-year warranty period concluding in 2029. |
| **Reporting Period** | September 2026 | **Reporting Date** | September 30, 2026 (submitted Sept 25) |
| **Audience** | Chip Gavin, Michael Colleran, Joy Childs, Valerie Scott, Domna Giatas, Tim Poulin, Karen Doyle, Brett McGillivary | **Next Steering Committee Meeting with Sagitec** | October 7, 2026 |

**Timeline** *(red arrow indicates the approximate point in the project as of this report)*




## MEMBER SERVICES

1. MEMBER PORTAL: The online member portal through which members can check their account information, obtain various documents and update selected information is reaching new levels of activity. The portal, launched in fall 2023, is on the cusp of 40,000 registered users, 7,000 demographic updates by users, and 70,000 document downloads by users, for example member statements or tax documents. The online benefit estimator also continues to see strong use, with an average of approximately 1,200 uses per month.

**FINANCE – OCTOBER 2026**

1. EMPLOYER REPORTING. Employers submitted defined benefit payrolls on time at rate of 86% in September. This compares to a rate of 90% for the same period last year. Of the 89 payrolls that missed the deadline, 34 were submitted within three days of deadline. The percentage of fully reconciled accounts through July data is 71%.

   The total number of accounts with 2019 transactions, including two for Portland Public Schools, remains at three. The aging of the 207 accounts not fully reconciled through July 2026 data breaks down as follows:

| | Oldest Unreconciled Transactions | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Year | 2026 | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 |
| # of Accts | 154 | 37 | 5 | 4 | 0 | 1 | 3 | 3 |
| Removed | | -3 | | | | | | |
| Added | 44 | | | | | | | |
| Prior Report | 110 | 40 | 5 | 4 | 0 | 1 | 3 | 3 |

2. EMPLOYER AUDITING. There were 4 new audits opened during the month of September and 2 audits were completed. The current percentage of findings resolved is 99.1%.

3. ACCOUNTING AND FINANCE. The annual COLA was implemented for September payroll as approved by Trustees in August. The annual financial audit was completed this month. The internal audit covering Compensation is in process.

**INFORMATION TECHNOLOGY**

IT OPERATIONS: IT Operations has completed the installation of our new Augusta data center hardware and have migrated all existing file and database data. IT Operations has shut down the old hardware and in October will un-rack and formally retire it. IT Operations has been creating data reports to support the data retention effort.

DEVELOPMENT: The IT Development and Line of Business Teams continue to closely work with the Sagitec data conversion team on detailed field mapping. The Team is currently in the process of mapping service purchase and will soon move onto retirement. IT Development has also been heavily involved in the automated processing Portland Public School files. The Line of Business Team has assumed the project management responsibilities for Portland Public schools as well as focused on elaboration sessions for Refunds and Service Credit/portability and Service Retirement.

PROJECT MANAGEMENT AND BUSINESS ANALYST: The IT Project Management and Business Analyst Teams have been assisting with the detailed data mapping and data conversion activities. The Technical Writer continues the process of creating a training program framework that will standardize the look, feel and content of training across all departments as well as

participating in PUV for a first look review of the Neospin User Interface/User Experience (UI/UX). All Business Analyst are focused on Pilot 4.2 and the ongoing data conversion.

INFORMATION SECURITY: In September Tyler Technologies completed a CAVA (configuration and vulnerability assessment) with no critical or high findings. Tyler also started a Cybersecurity Risk assessment and MainePERS should receive the results in early October.

## LEGAL AND ADMINISTRATION

1. HUMAN RESOURCES: MainePERS had 2 new hires, 2 separations, 3 internal transfers/promotions, and 2 offers accepted in September. We have started recruiting for some positions that were on hold, resulting in a total of 10 open positions in active recruitment as of the end of the month.

   Training continued for Implicit Bias awareness with three sessions being held for staff and supervisors that had not previously attended.

2. LEGAL DEPARTMENT: The Legal Department is in the process of recruiting for a Compliance Attorney and hopes to finalize this hire within the month of October.

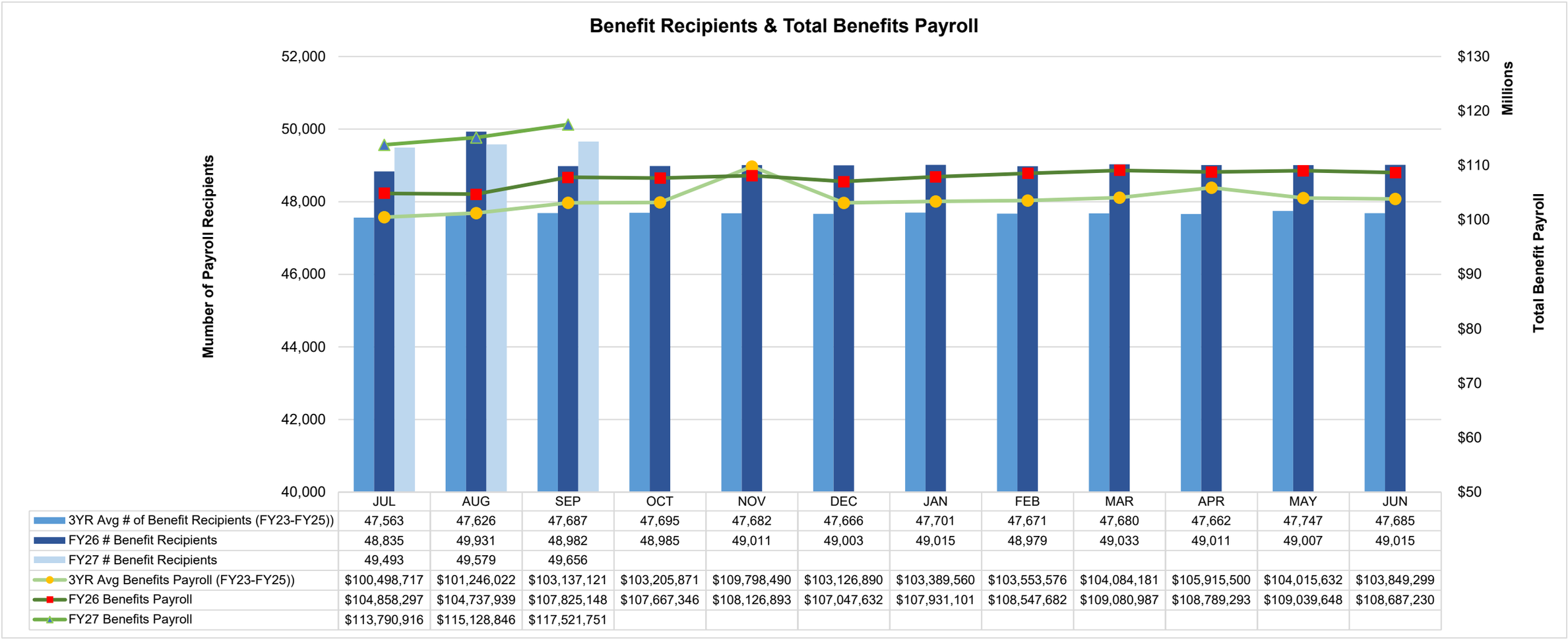
## RECOMMENDATION

***No Board action is recommended at this time.***

# SEPTEMBER 2026 BOARD OF TRUSTEES OPERATIONS – MEMBER SERVICES SUPPLEMENTAL NUMBERS

## RETIREMENT SERVICES

**BENEFITS PAYROLL:** Regular monthly pension benefit payments were made to 49,656 recipients in September, totaling $117,521,751. 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 2023, 2024 and 2025 individually, this graph provides the average of those years against fiscal years 2026 and 2027.

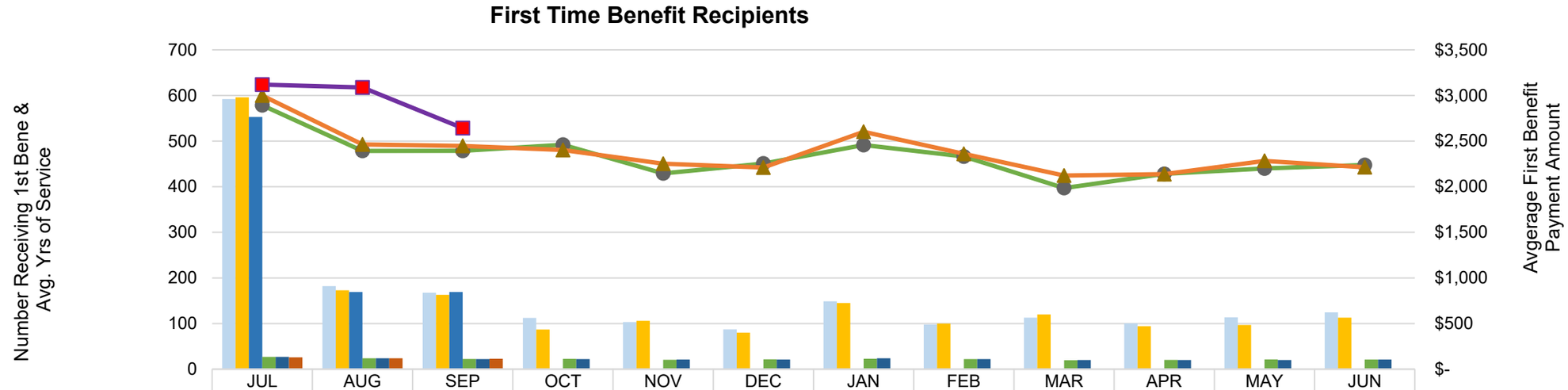



| | JUL | AUG | SEP | OCT | NOV | DEC | JAN | FEB | MAR | APR | MAY | JUN |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 3YR Avg # of Benefit Recipients (FY23-FY25)) | 47,563 | 47,626 | 47,687 | 47,695 | 47,682 | 47,666 | 47,701 | 47,671 | 47,680 | 47,662 | 47,747 | 47,685 |
| FY26 # Benefit Recipients | 48,835 | 49,931 | 48,982 | 48,985 | 49,011 | 49,003 | 49,015 | 48,979 | 49,033 | 49,011 | 49,007 | 49,015 |
| FY27 # Benefit Recipients | 49,493 | 49,579 | 49,656 | | | | | | | | | |
| 3YR Avg Benefits Payroll (FY23-FY25)) | $100,498,717 | $101,246,022 | $103,137,121 | $103,205,871 | $109,798,490 | $103,126,890 | $103,389,560 | $103,553,576 | $104,084,181 | $105,915,500 | $104,015,632 | $103,849,299 |
| FY26 Benefits Payroll | $104,858,297 | $104,737,939 | $107,825,148 | $107,667,346 | $108,126,893 | $107,047,632 | $107,931,101 | $108,547,682 | $109,080,987 | $108,789,293 | $109,039,648 | $108,687,230 |
| FY27 Benefits Payroll | $113,790,916 | $115,128,846 | $117,521,751 | | | | | | | | | |

## SEPTEMBER 2026 BOARD OF TRUSTEES OPERATIONS – MEMBER SERVICES SUPPLEMENTAL NUMBERS

### RETIREMENT SERVICES: (CONTINUED)

**FIRST TIME BENEFIT RECIPIENTS:** One hundred sixty-nine (169) individuals received their first benefit payment in September. The average benefit amount was $2,642. First time recipients averaged twenty-three (23) 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.



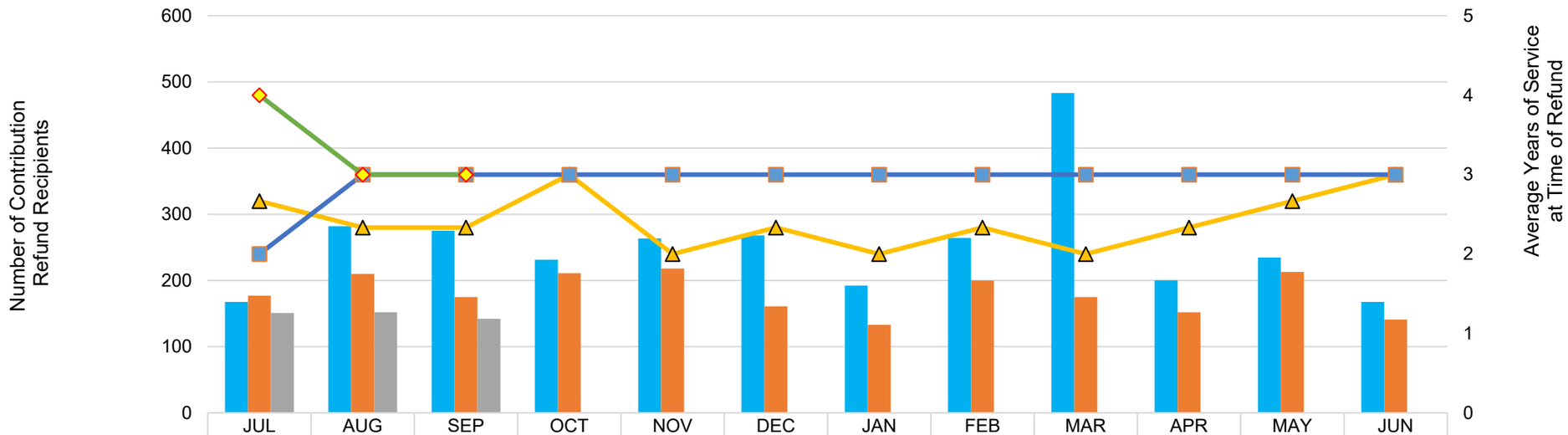

| | JUL | AUG | SEP | OCT | NOV | DEC | JAN | FEB | MAR | APR | MAY | JUN |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 3YR Avg # Receiving 1st Benefit Pymt (FY23-FY25) | 592 | 182 | 168 | 112 | 103 | 87 | 149 | 98 | 113 | 100 | 114 | 125 |
| FY26 # Receiving 1st Benefit Pymt | 596 | 173 | 163 | 87 | 106 | 80 | 145 | 100 | 120 | 94 | 97 | 113 |
| FY27 # Receiving 1st Benefit Pymt | 553 | 169 | 169 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3YR Avg Years of Svc @1st Benefit Pymt (FY23-FY25) | 27 | 24 | 22 | 23 | 21 | 22 | 23 | 22 | 20 | 20 | 21 | 21 |
| FY26 Avg Years of Svc @1st Benefit Pymt | 27 | 24 | 22 | 22 | 21 | 21 | 24 | 22 | 20 | 20 | 20 | 21 |
| FY27 Avg Years of Svc @1st Benefit Pymt | 26 | 24 | 23 | | | | | | | | | |
| 3YR Avg 1st Benefit Pymt Amount (FY23-FY25) | $2,892 | $2,392 | $2,393 | $2,460 | $2,146 | $2,254 | $2,456 | $2,330 | $1,985 | $2,140 | $2,199 | $2,238 |
| FY26 Avg 1st Benefit Pymt Amount | $2,999 | $2,463 | $2,447 | $2,402 | $2,252 | $2,210 | $2,602 | $2,360 | $2,122 | $2,137 | $2,283 | $2,213 |
| FY27 Avg 1st Benefit Pymt Amount | $3,119 | $3,087 | $2,642 | | | | | | | | | |

## SEPTEMBER 2026 BOARD OF TRUSTEES OPERATIONS – MEMBER SERVICES SUPPLEMENTAL NUMBERS

### RETIREMENT SERVICES: (CONTINUED)

**CONTRIBUTION REFUNDS**: One hundred forty-two (142) former members received a refund of their contributions in September. The average refund was $12,105 as the result of an average of three (3) years of service. The aggregate amount refunded was $1,718,855.

**Contribution Refunds Issued: Total Number & Average Years of Service**

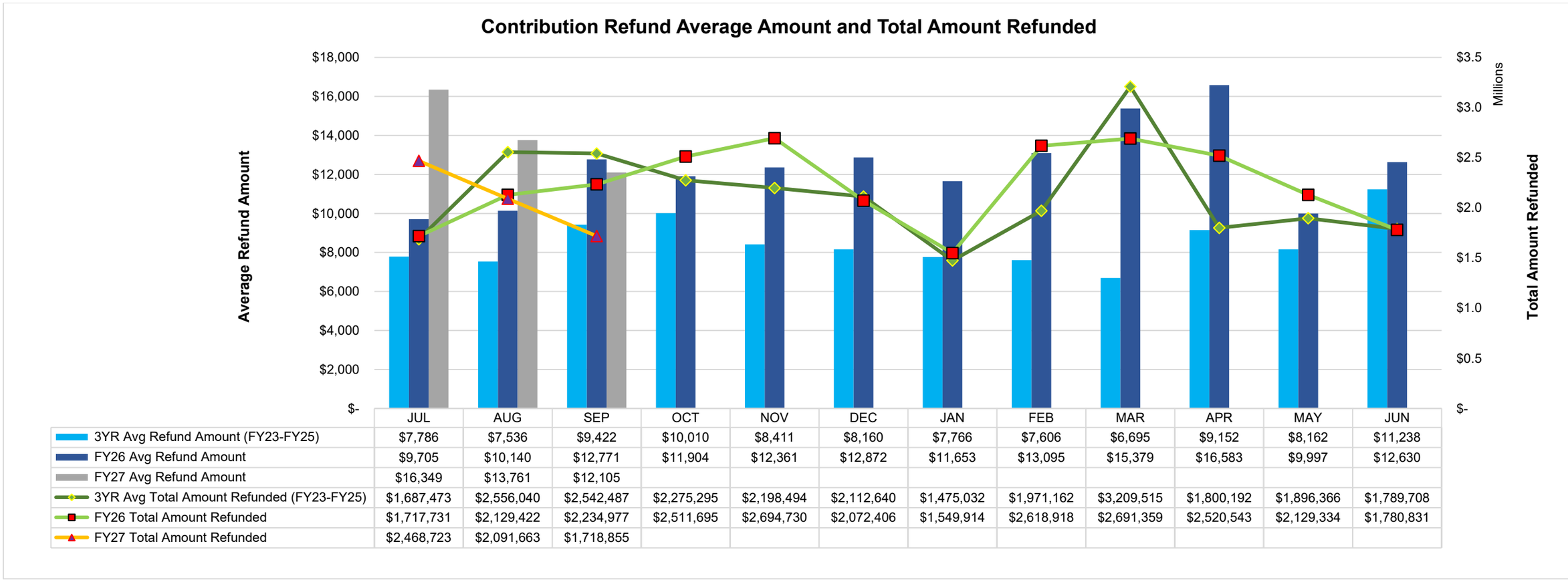



| | JUL | AUG | SEP | OCT | NOV | DEC | JAN | FEB | MAR | APR | MAY | JUN |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 3YR Avg # of Contribution Refund Recipients (FY23-FY25) | 168 | 282 | 275 | 231 | 263 | 268 | 192 | 264 | 483 | 200 | 235 | 168 |
| FY26 # of Contribution Refund Recipients | 177 | 210 | 175 | 211 | 218 | 161 | 133 | 200 | 175 | 152 | 213 | 141 |
| FY27 # of Contribution Refund Recipients | 151 | 152 | 142 | | | | | | | | | |
| 3YR Avg YRs of Service at Time of Refund (FY23-FY25) | 3 | 2 | 2 | 3 | 2 | 2 | 2 | 2 | 2 | 2 | 3 | 3 |
| FY26 Avg YRs of Service at Time of Refund | 2 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| FY27 Avg YRs of Service at Time of Refund | 4 | 3 | 3 | | | | | | | | | |

# SEPTEMBER 2026 BOARD OF TRUSTEES OPERATIONS – MEMBER SERVICES SUPPLEMENTAL NUMBERS

## RETIREMENT SERVICES: (CONTINUED)

### CONTRIBUTION REFUNDS




| | JUL | AUG | SEP | OCT | NOV | DEC | JAN | FEB | MAR | APR | MAY | JUN |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 3YR Avg Refund Amount (FY23-FY25) | $7,786 | $7,536 | $9,422 | $10,010 | $8,411 | $8,160 | $7,766 | $7,606 | $6,695 | $9,152 | $8,162 | $11,238 |
| FY26 Avg Refund Amount | $9,705 | $10,140 | $12,771 | $11,904 | $12,361 | $12,872 | $11,653 | $13,095 | $15,379 | $16,583 | $9,997 | $12,630 |
| FY27 Avg Refund Amount | $16,349 | $13,761 | $12,105 | | | | | | | | | |
| 3YR Avg Total Amount Refunded (FY23-FY25) | $1,687,473 | $2,556,040 | $2,542,487 | $2,275,295 | $2,198,494 | $2,112,640 | $1,475,032 | $1,971,162 | $3,209,515 | $1,800,192 | $1,896,366 | $1,789,708 |
| FY26 Total Amount Refunded | $1,717,731 | $2,129,422 | $2,234,977 | $2,511,695 | $2,694,730 | $2,072,406 | $1,549,914 | $2,618,918 | $2,691,359 | $2,520,543 | $2,129,334 | $1,780,831 |
| FY27 Total Amount Refunded | $2,468,723 | $2,091,663 | $1,718,855 | | | | | | | | | |

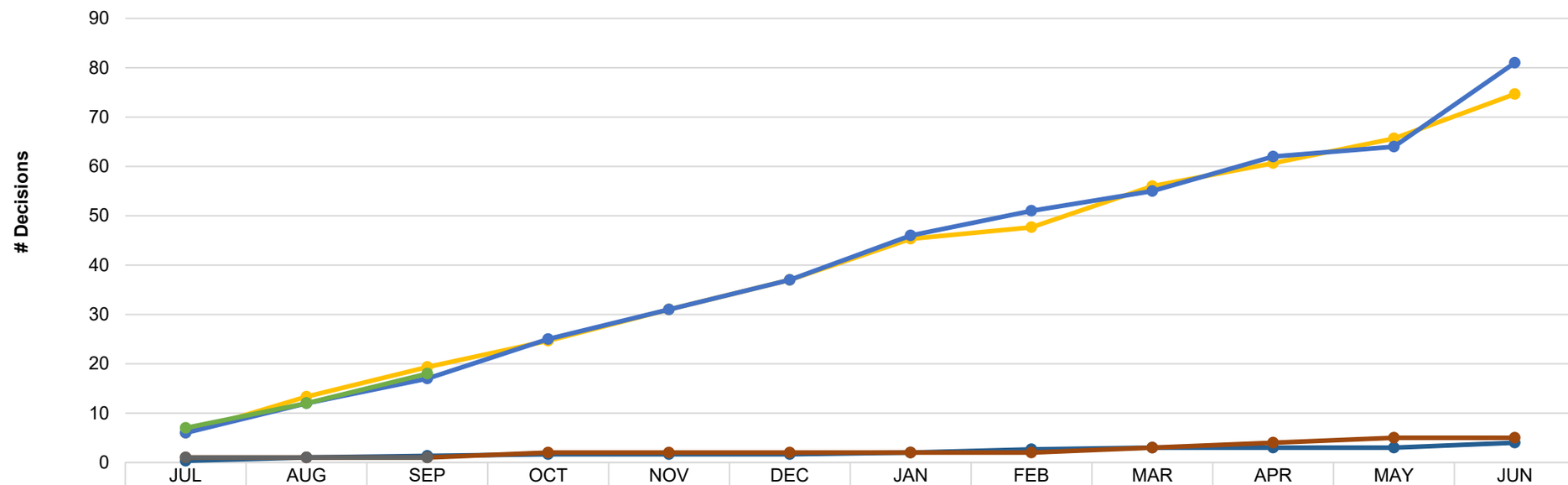
# SEPTEMBER 2026 BOARD OF TRUSTEES OPERATIONS – MEMBER SERVICES SUPPLEMENTAL NUMBERS

## DISABILITY SERVICES

**Intake Interviews and Applications:** There were sixteen (27) interviews completed in September with varying levels of detail and duration. Intakes interviews included ten (10) State members, nine (9) Teacher members, eight (8) PLD members and zero (0) other members. There were nine (9) new disability retirement applications received in September. For FY27 to date, there have been fifty-two (52) interviews completed, and twenty-six (26) disability retirement applications received.

**Decisions made on Applications for Disability Benefits:** There were three (3) approvals, three (3) expedited approvals and zero (0) denial of disability benefits in September. For FY27 to date, there have been eighteen (18) total approvals and one (1) denial of disability benefits.

**Disability Services: Monthly and Cumulative Disability Decisions for Approvals and Denials**

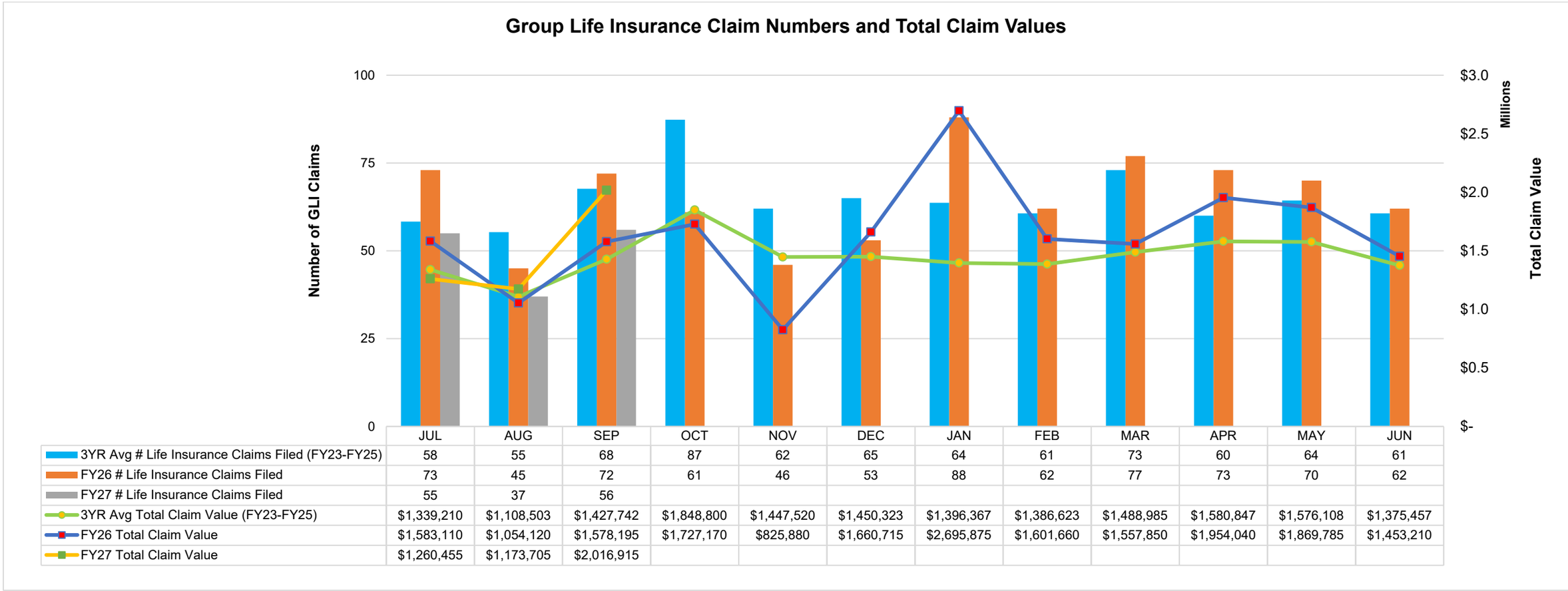



| | JUL | AUG | SEP | OCT | NOV | DEC | JAN | FEB | MAR | APR | MAY | JUN |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 3 YR Avg Cumulative Approved Apps (FY23 to FY25) | 6 | 13 | 19 | 25 | 31 | 37 | 45 | 48 | 56 | 61 | 66 | 75 |
| FY26 Cumulative Approved Apps | 6 | 12 | 17 | 25 | 31 | 37 | 46 | 51 | 55 | 62 | 64 | 81 |
| FY27 Cumulative Approved Apps | 7 | 12 | 18 | | | | | | | | | |
| 3 YR Avg Cumulative Denied Apps (FY23 to FY25) | 0 | 1 | 1 | 2 | 2 | 2 | 2 | 3 | 3 | 3 | 3 | 4 |
| FY26 Cumulative Denied Apps | 1 | 1 | 1 | 2 | 2 | 2 | 2 | 2 | 3 | 4 | 5 | 5 |
| FY27 Cumulative Denied Apps | 1 | 1 | 1 | | | | | | | | | |

# SEPTEMBER 2026 BOARD OF TRUSTEES OPERATIONS – MEMBER SERVICES SUPPLEMENTAL NUMBERS

## SURVIVOR SERVICES

**GLI Claim Numbers and Values:** There were fifty-six (56) life insurance claims sent to our carrier (The Hartford) in September with a total value of $2,016,915 in payments due to beneficiaries. Of the claims, fifty-one (51) were retiree claims and five (5) were active member claims including one (1) dependent claim.

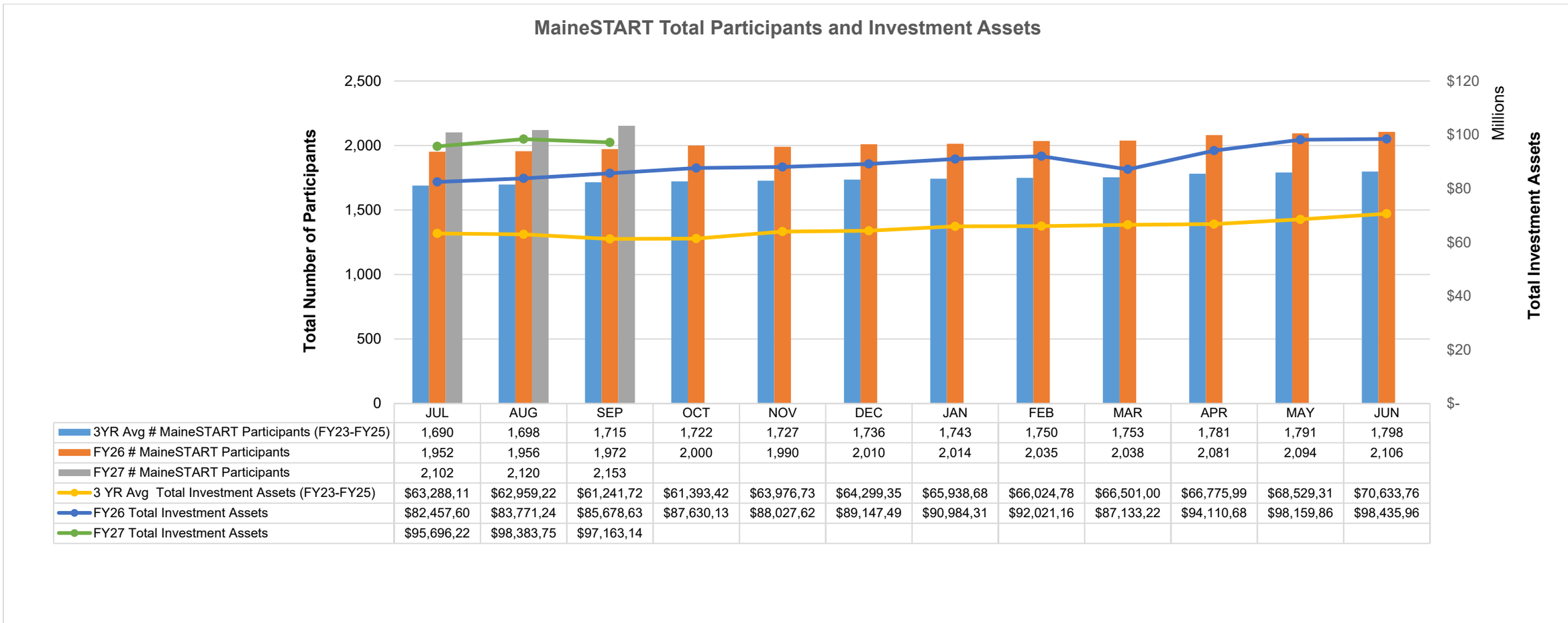



| | JUL | AUG | SEP | OCT | NOV | DEC | JAN | FEB | MAR | APR | MAY | JUN |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 3YR Avg # Life Insurance Claims Filed (FY23-FY25) | 58 | 55 | 68 | 87 | 62 | 65 | 64 | 61 | 73 | 60 | 64 | 61 |
| FY26 # Life Insurance Claims Filed | 73 | 45 | 72 | 61 | 46 | 53 | 88 | 62 | 77 | 73 | 70 | 62 |
| FY27 # Life Insurance Claims Filed | 55 | 37 | 56 | | | | | | | | | |
| 3YR Avg Total Claim Value (FY23-FY25) | $1,339,210 | $1,108,503 | $1,427,742 | $1,848,800 | $1,447,520 | $1,450,323 | $1,396,367 | $1,386,623 | $1,488,985 | $1,580,847 | $1,576,108 | $1,375,457 |
| FY26 Total Claim Value | $1,583,110 | $1,054,120 | $1,578,195 | $1,727,170 | $825,880 | $1,660,715 | $2,695,875 | $1,601,660 | $1,557,850 | $1,954,040 | $1,869,785 | $1,453,210 |
| FY27 Total Claim Value | $1,260,455 | $1,173,705 | $2,016,915 | | | | | | | | | |

# SEPTEMBER 2026 BOARD OF TRUSTEES OPERATIONS – MEMBER SERVICES SUPPLEMENTAL NUMBERS

## DEFINED CONTRIBUTION PLAN SERVICES

**Total Participants and Investment Assets:** MaineSTART had two thousand one hundred fifty-three (2,153) participants at the end of September with $97,163,144 of investment assets in the program.




| | JUL | AUG | SEP | OCT | NOV | DEC | JAN | FEB | MAR | APR | MAY | JUN |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 3YR Avg # MaineSTART Participants (FY23-FY25) | 1,690 | 1,698 | 1,715 | 1,722 | 1,727 | 1,736 | 1,743 | 1,750 | 1,753 | 1,781 | 1,791 | 1,798 |
| FY26 # MaineSTART Participants | 1,952 | 1,956 | 1,972 | 2,000 | 1,990 | 2,010 | 2,014 | 2,035 | 2,038 | 2,081 | 2,094 | 2,106 |
| FY27 # MaineSTART Participants | 2,102 | 2,120 | 2,153 | | | | | | | | | |
| 3 YR Avg Total Investment Assets (FY23-FY25) | $63,288,11 | $62,959,22 | $61,241,72 | $61,393,42 | $63,976,73 | $64,299,35 | $65,938,68 | $66,024,78 | $66,501,00 | $66,775,99 | $68,529,31 | $70,633,76 |
| FY26 Total Investment Assets | $82,457,60 | $83,771,24 | $85,678,63 | $87,630,13 | $88,027,62 | $89,147,49 | $90,984,31 | $92,021,16 | $87,133,22 | $94,110,68 | $98,159,86 | $98,435,96 |
| FY27 Total Investment Assets | $95,696,22 | $98,383,75 | $97,163,14 | | | | | | | | | |

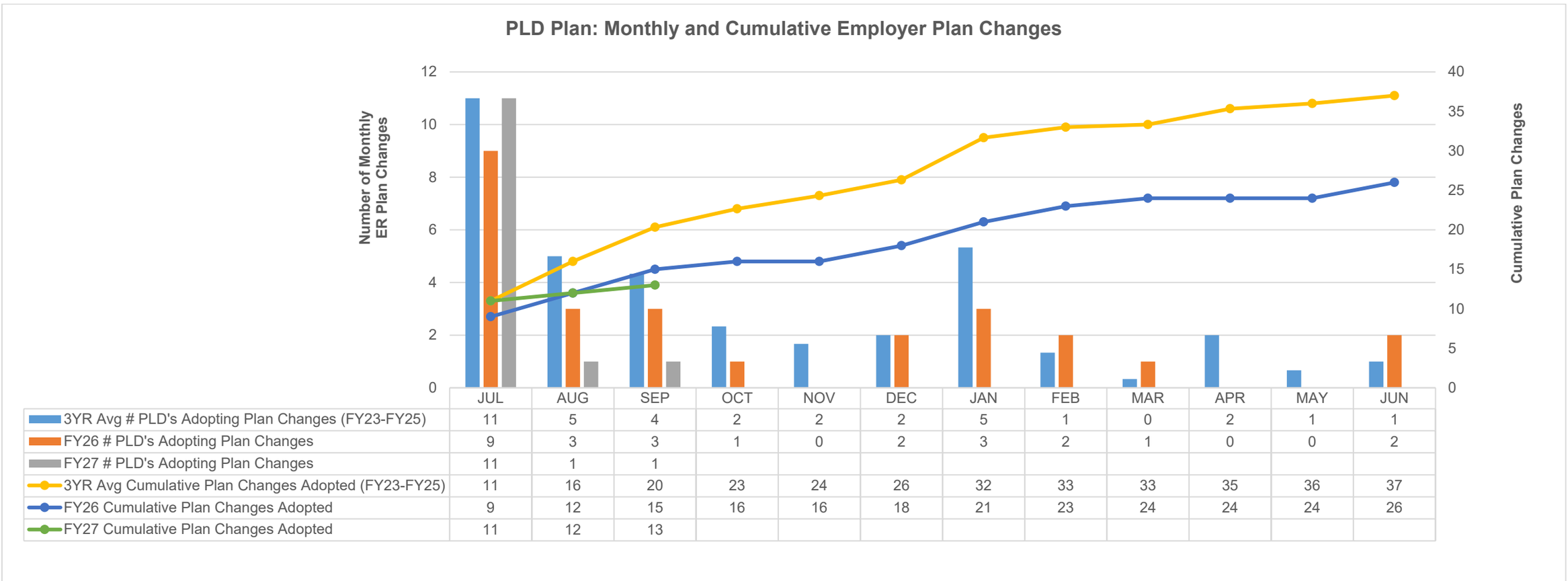
# SEPTEMBER 2026 BOARD OF TRUSTEES OPERATIONS – MEMBER SERVICES SUPPLEMENTAL NUMBERS

## PARTICIPATING LOCAL DISTRICT (PLD)

## PLAN ADMINISTRATION

**New Employer Members & Plan Changes:** There were zero (0) new employers joining the PLD Retirement Program effective September 1, 2026. There was one (1) employer plan change effective September 1, 2026. 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.

**Cumulative Employer Plan Changes:** Total plan changes for FY27 to date are thirteen (13).

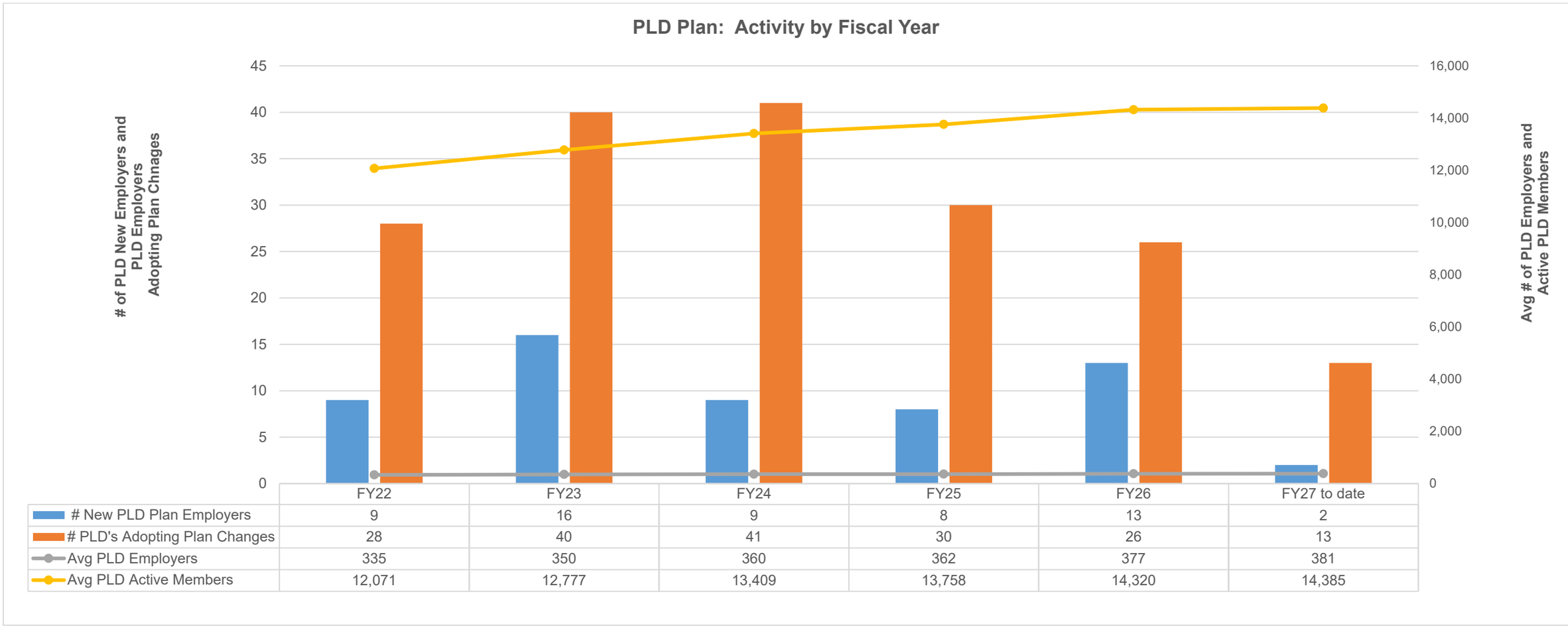



| | JUL | AUG | SEP | OCT | NOV | DEC | JAN | FEB | MAR | APR | MAY | JUN |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 3YR Avg # PLD's Adopting Plan Changes (FY23-FY25) | 11 | 5 | 4 | 2 | 2 | 2 | 5 | 1 | 0 | 2 | 1 | 1 |
| FY26 # PLD's Adopting Plan Changes | 9 | 3 | 3 | 1 | 0 | 2 | 3 | 2 | 1 | 0 | 0 | 2 |
| FY27 # PLD's Adopting Plan Changes | 11 | 1 | 1 | | | | | | | | | |
| 3YR Avg Cumulative Plan Changes Adopted (FY23-FY25) | 11 | 16 | 20 | 23 | 24 | 26 | 32 | 33 | 33 | 35 | 36 | 37 |
| FY26 Cumulative Plan Changes Adopted | 9 | 12 | 15 | 16 | 16 | 18 | 21 | 23 | 24 | 24 | 24 | 26 |
| FY27 Cumulative Plan Changes Adopted | 11 | 12 | 13 | | | | | | | | | |

# SEPTEMBER 2026 BOARD OF TRUSTEES OPERATIONS – MEMBER SERVICES SUPPLEMENTAL NUMBERS

## PLD PLAN ADMINISTRATION (CONTINUED)

## PLD PLAN ACTIVITY BY FISCAL YEAR

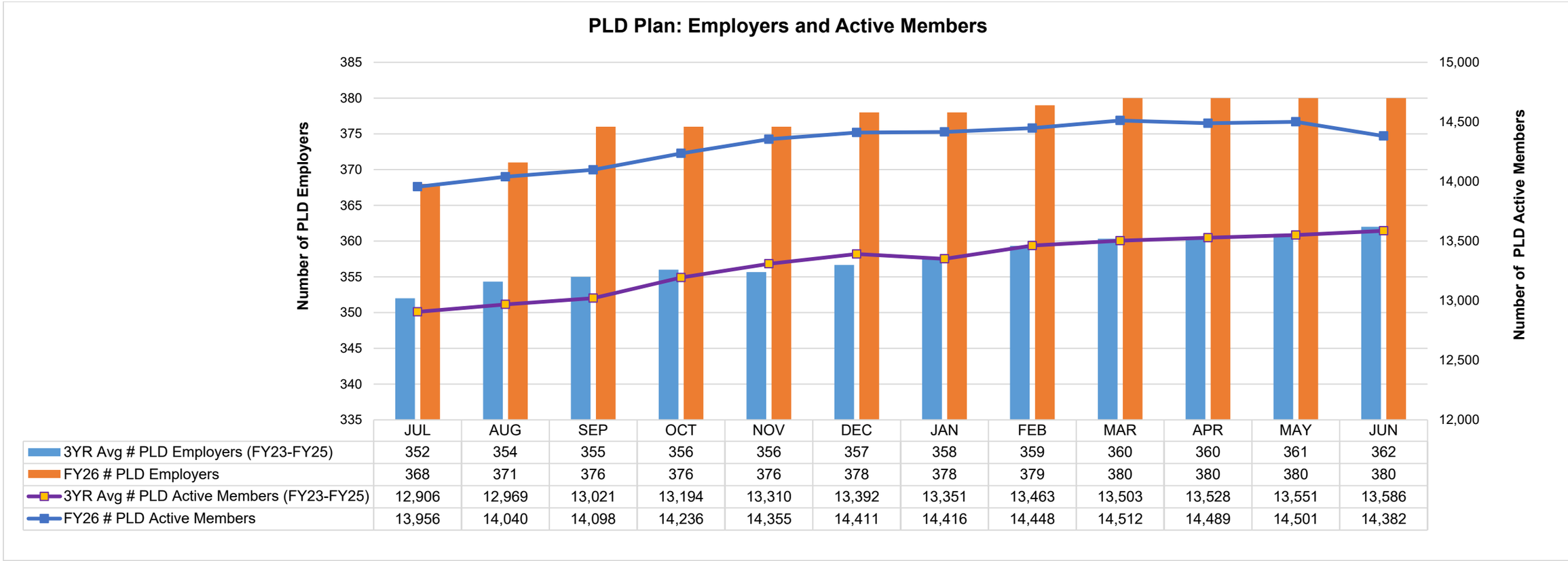



| | FY22 | FY23 | FY24 | FY25 | FY26 | FY27 to date |
|---|---|---|---|---|---|---|
| # New PLD Plan Employers | 9 | 16 | 9 | 8 | 13 | 2 |
| # PLD's Adopting Plan Changes | 28 | 40 | 41 | 30 | 26 | 13 |
| Avg PLD Employers | 335 | 350 | 360 | 362 | 377 | 381 |
| Avg PLD Active Members | 12,071 | 12,777 | 13,409 | 13,758 | 14,320 | 14,385 |

## SEPTEMBER 2026 BOARD OF TRUSTEES OPERATIONS – MEMBER SERVICES SUPPLEMENTAL NUMBERS

### PLD PLAN ADMINISTRATION (CONTINUED)

**Employers and Active Members:** PLD employers remained the same from March through June at 380; PLD Employee numbers initially decreased from 14,512 in March to 14,489 in April, increased to 14,501 in May and then decreased to 14,382 in June. This data will be reported quarterly. Due to the timing of the Board Report, the next update will be included in the October 2026 supplement numbers at the November 2026 meeting.

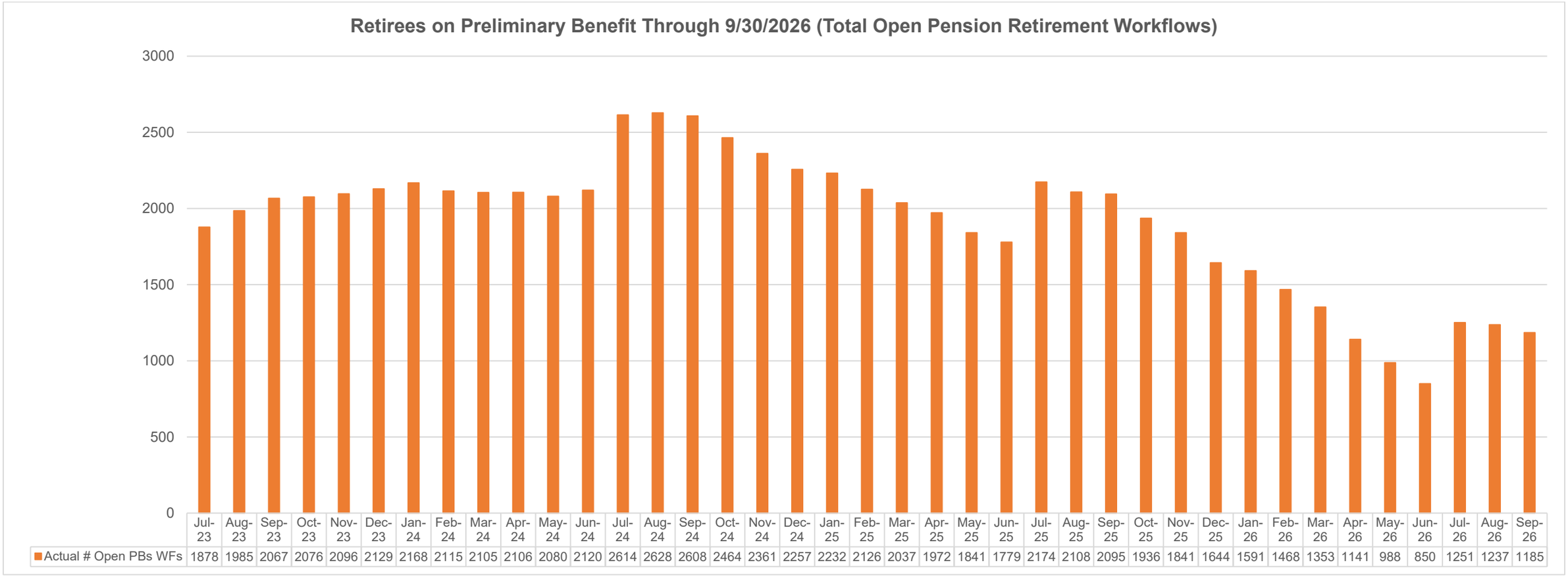



| | JUL | AUG | SEP | OCT | NOV | DEC | JAN | FEB | MAR | APR | MAY | JUN |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 3YR Avg # PLD Employers (FY23-FY25) | 352 | 354 | 355 | 356 | 356 | 357 | 358 | 359 | 360 | 360 | 361 | 362 |
| FY26 # PLD Employers | 368 | 371 | 376 | 376 | 376 | 378 | 378 | 379 | 380 | 380 | 380 | 380 |
| 3YR Avg # PLD Active Members (FY23-FY25) | 12,906 | 12,969 | 13,021 | 13,194 | 13,310 | 13,392 | 13,351 | 13,463 | 13,503 | 13,528 | 13,551 | 13,586 |
| FY26 # PLD Active Members | 13,956 | 14,040 | 14,098 | 14,236 | 14,355 | 14,411 | 14,416 | 14,448 | 14,512 | 14,489 | 14,501 | 14,382 |

## SEPTEMBER 2026 BOARD OF TRUSTEES OPERATIONS – MEMBER SERVICES SUPPLEMENTAL NUMBERS

### FOCUS FRIDAY IMPACT ON BACKLOG REDUCTION

**PRELIMINARY TO FINAL BENEFIT (PB TO FINAL) BACKLOG THROUGH SEPTEMBER 30, 2026:** The reporting below is based on the final end of month count of Preliminary Benefits pending finalization.




| | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | Jan-25 | Feb-25 | Mar-25 | Apr-25 | May-25 | Jun-25 | Jul-25 | Aug-25 | Sep-25 | Oct-25 | Nov-25 | Dec-25 | Jan-26 | Feb-26 | Mar-26 | Apr-26 | May-26 | Jun-26 | Jul-26 | Aug-26 | Sep-26 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Actual # Open PBs WFs | 1878 | 1985 | 2067 | 2076 | 2096 | 2129 | 2168 | 2115 | 2105 | 2106 | 2080 | 2120 | 2614 | 2628 | 2608 | 2464 | 2361 | 2257 | 2232 | 2126 | 2037 | 1972 | 1841 | 1779 | 2174 | 2108 | 2095 | 1936 | 1841 | 1644 | 1591 | 1468 | 1353 | 1141 | 988 | 850 | 1251 | 1237 | 1185 |