MainePERS
PUBLIC EMPLOYEES RETIREMENT SYSTEM

Board of Trustees

Public Meeting Packet

September 10, 2026

MainePERS Board of Trustees
September 10, 2026
139 Capitol Street, Augusta

AGENDA

9:00 a.m.[1]		CALL TO ORDER		Brian Noyes
9:00 – 9:05 a.m.	1.	CONSIDERATION OF CONSENT CALENDAR • Minutes of August 13, 2026 • Decision, F.P. Appeal	ACTION	Brian Noyes
9:05 – 9:25 a.m.	2.	PRIVATE MARKETS ACTION • Executive Session pursuant to 1 M.R.S. §405(6)(F); 5 M.R.S. §17057(4)	ACTION	Brian Noyes
		Board moves out of executive session.		James Bennett Scott Lupkas
		• JSL Health Capital Fund II & JSL Health Capital Fund II Special Investment Vehicle	ACTION	
		• Ares Senior Direct Lending Core	ACTION	
		• Technology Impact Fund III & Technology Impact Growth Fund III LP	ACTION	
		• Meridiam North America Core Infrastructure Fund I	ACTION	
9:25 – 9:30 a.m.	3.	GLI / OPEB / RHIT INVESTMENT POLICY STATEMENTS • Amendments to Board Policy 2.1-A-GLI Investment Policy Statement • Amendments to Board Policy 2.1-B-RHIT Investment Policy Statement • Amendments to Board Policy 2.1-D-OPEB Trust Investment Policy Statement	ACTION	James Bennett Scott Lupkas
9:30 – 10:10 a.m.	4.	INVESTMENT EDUCATION • Market Update		Wade O'Brien Brian McDonnell Cambridge Assoc
10:10 – 10:25 a.m.	5.	PROXY VOTING REVIEW • Russell 1000 Proxy Report		James Bennett Scott Lupkas
10:25 – 10:35 a.m.	6.	INVESTMENT REVIEW • Monthly Investment Review		James Bennett Scott Lupkas

[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. Rulemaking public hearings may begin earlier than the time listed on the agenda, but not earlier than the time in the notice published by the Secretary of State's Office.

10:35 – 10:50 a.m.		*BREAK*	
10:50 – 11:05 a.m.	6.	MAINESTART • Quarterly Report	Chip Gavin
11:05 – 11:45 a.m.	7.	CEO REPORT • Board Education Plan • Enterprise Risk Management • Mission Moment – Preliminary to Final Benefit Update	Dr. Rebecca Wyke Nanette Ardry Chip Gavin Steven Smith
11:45 – 11:55 a.m.	8.	RULEMAKING Public Hearings • Amended Rule Chapter 204 • Amended Rule Chapter 803 • Repeal Rule Chapter 802	Nanette Ardry
11:55 a.m. – 12:05 p.m.	9.	ADMINISTRATIVE REPORT	Chip Gavin Karen Doyle Joy Childs Nanette Ardry
12:05 – 12:35 p.m.		*LUNCH*	
12:35 – 1:35 p.m.	10.	ACTUARIAL AUDIT • Actuarial Audit Presentation • Actuarial Audit Report • Response to Actuarial Audit Report	Bill Brown Rebecca Stouffer, GRS Bonnie Rightnour, Greg Reardon, Cheiron
1:35 – 1:40 p.m.	11.	LITIGATION UPDATE	John Nichols
1:40 – 1:50 p.m.	12.	CHIEF EXECUTIVE OFFICER EVALUATION	Brian Noyes
1:50 p.m.		ADJOURNMENT	Brian Noyes

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

Minutes

Board of Trustees	MainePERS
Board Meeting	Augusta
August 13, 2026	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; Joe Perry, State Treasurer; John Beliveau; Shirrin Blaisdell; Kirk Duplessis; Nick Fuller Googins, 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; Karen Doyle, Chief Financial Officer; Ella Braaten, Deputy General Counsel; 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; William Bockman, Senior Benefits System Analyst; Brian McDonnell, Cambridge Associates; William Greenwood and Peter Sung, Albourne; and Gene Kalwarski, Ryan Benitez, and Daniel Rhodes, Cheiron.

Brian Noyes called the meeting to order at 9:00 a.m. John Beliveau and Nick Fuller Googins 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 Noyes introduced David Maurek, Mosaic Governance Advisors, 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 July 9, 2026 – Dick Metivier shared an amendment to the minutes.

- Action. Dick Metivier made the motion, seconded by John Kimball, to approve the minutes of July 9, 2026 as amended. Unanimously voted in favor by eight Trustees (Beliveau, Blaisdell, Duplessis, Fuller Googins, Kimball, Metivier, Noyes, and Perry).

QUARTERLY PORTFOLIO REVIEW

Quarterly Portfolio Review

Brian McDonnell presented the 2nd quarter performance review as of June 30, 2026. Brian answered questions from the Trustees.

Public Market Asset Classes Review

Jim Bennett reviewed the Public Equity and Public Fixed Income asset classes as of June 30, 2026. Jim detailed the passive market exposure including direct investments managed by BlackRock and the liquidity pool managed by Parametric. Jim then answered questions from the Trustees.

QUARTERLY ASSET CLASS REVIEWS

Will Greenwood presented quarterly asset class reviews for the Risk Diversifiers (through June 30, 2026), Private Equity (through March 31, 2026), Alternative Credit (through March 31, 2026), and Real Assets (through March 31, 2026). Will answered questions from the Trustees.

INVESTMENT REVIEW

Investment Classification Overview

Jim Bennett provided an overview on classification related to fund-level exposure to fossil fuel and for-profit prison companies. Jim explained the framework by which fund investments are categorized as focused, within-mandate, or incidental.

Investment Monthly Review

Jim Bennett reported that as of July 31, 2026, the MainePERS fund had a preliminary market value of $22.95 billion, the preliminary return for the month was -0.15%, and the preliminary calendar year-to-date return was 5.08%.

Scott Lupkas shared the next managers meeting is scheduled for Tuesday, August 25, 2026, in Portland, with presentations by JSL Health Capital, Capricorn, and Ares. Scott also provided a preview of a prospective investment in the Meridiam Infrastructure North America Core Infrastructure Fund. Scott noted that the Investment Team believes these potential investments are unlikely to lead to meaningful exposure in stocks, securities, or other obligations of fossil fuel or for-profit prison companies.

Quarterly Rebalancing Report

Scott Lupkas reviewed the rebalancing activities through the end of June 30, 2026, within the public markets and Risk Diversifiers portfolios.

RHIT/GLI/OPEB Quarterly Report

Jim Bennett summarized the RHIT/GLI/OPEB Quarterly Report as of June 30, 2026, with the Trustees. Jim answered questions from the Trustees.

ACTUARIAL

Experience Study Report

Bill Brown shared the final experience study report from Cheiron was provided for the Board of Trustees to review.

GLI Premium Study and Rate Setting

Daniel Rhodes of Cheiron presented the results of the Group Life Insurance (GLI) Premium Study along with the recommendations for premium rates.

- Action. Shirrin Blaisdell made the motion, seconded by Joe Perry, that the Board approve the recommended group life insurance premiums for the State Employee and Teacher Retirement Program, Judicial Retirement Program and Legislative Retirement Program for fiscal years 2028 and 2029. Unanimously voted in favor by eight Trustees (Beliveau, Blaisdell, Duplessis, Fuller Googins, Kimball, Metivier, Noyes, and Perry).

FINANCE AND AUDIT COMMITTEE REPORT

Shirrin Blaisdell stated the Finance and Audit Committee was provided a presentation from the external auditors, BerryDunn, who reviewed their agenda for the audit. She shared Sarah Lutzke of Wipfli provided the findings and recommendations in the vendor management program review audit. Karen Doyle shared the next audit will be the compensation program review. Shirrin shared the June 30, 2026 Administration and Investment Operations expense reports ended with surpluses.

COST-OF-LIVING ADJUSTMENT

Dr. Rebecca Wyke reported that the CPI-U as of June 30, 2026 was 3.5%. The COLA for the State-sponsored plans is capped at 3.0% of the first $27,142.56 of benefits. The increase for the PLD Consolidated Plan is capped at 2.5% of the total benefit. The cap for withdrawn PLDs is 4% of the total benefit.

- Action. Dick Metivier made the motion, seconded by Shirrin Blaisdell, that the Board adopt cost-of-living adjustments of 3.0% of the COLA base for the State-sponsored plans, 2.5% for the PLD Consolidated Plan, and 3.5% for withdrawn PLD plans, effective September of 2026, and that the System provide the Governor with the information and supplemental budget request required when the full COLA is not paid for the State-sponsored plans because of the cap. Voted unanimously in favor by eight Trustees (Beliveau, Blaisdell, Duplessis, Fuller Googins, Kimball, Metivier, Noyes, and Perry).

RULEMAKING

Nanette Ardry reviewed the proposed rulemaking actions for the following: amended Rule Chapter 506 (Eligibility for Disability Retirement Benefits); and, amended Rule Chapter 513 (Disability Retirement Compensation Limitations and Benefit Offsets).

- Action. Joe Perry made the motion, seconded by Kirk Duplessis, that the Board adopt amended Rule Chapters 506 and 513 and their respective basis statements. Unanimously voted in favor by eight Trustees (Beliveau, Blaisdell, Duplessis, Fuller Googins, Kimball, Metivier, Noyes, and Perry).

DC PLANS

Amendments to 403(b) Plan Documents

Ella Braaten reviewed the restated MaineSTART 403(b) Tax Sheltered Annuity Basic Plan Documents and explained that the updates were needed due to changes in federal law.

- Action: Shirrin Blaisdell made the motion, seconded by Joe Perry, that the Board adopt the restated MaineSTART 403(b) Tax-Sheltered Annuity Plan documents and authorize the Chief Executive Officer, the Chief Operations Officer, and General

Counsel to sign any documents related to effecting this action. Unanimously voted in favor by eight Trustees (Beliveau, Blaisdell, Duplessis, Fuller Googins, Kimball, Metivier, Noyes, and Perry).

CEO REPORT

Disability Retirement Experience Study

Dr. Rebecca Wyke provided the results of the latest disability retirement experience survey conducted July 6-20, 2026 to the Trustees.

Mission Moment – PAS Project

Chip Gavin provided a brief timeline recap of the new Pension Administration System project. Chip shared that monthly and additional periodic reporting will be provided to the Trustees.

Joy Childs introduced William Bockman, Senior Benefits System Analyst, who shared a presentation with the Trustees that provided an overview of the functionality and security features of the new Pension Administration System. Joy and William answered questions from the Trustees.

ADMINISTRATIVE REPORT

Chip Gavin shared a couple of minor changes that have been completed within the supplemental metrics provided each month to the Trustees.

Karen Doyle stated 97% employers submitted their June payrolls on time in July. Karen shared fully reconciled accounts through the end of May continues to be 81%. She reported that the internal audit covering vendor management policies has been completed and the next audit will cover compensation program review.

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 the Information Security Team performed an external penetration test and will share those results at a future meeting.

Nanette Ardry stated Human Resources has transitioned to a new flexible benefit vendor effective July 1st and the new HRIS/Payroll system will be implemented by the end of the year.

LITIGATION UPDATE

John Nichols shared the Clopper FOA matter is at the Law Court and oral arguments would be heard in October. John stated in the O'Bryon case the Superior court has ordered that the matter be remanded back to the agency and that the Plaintiff has appealed that decision to the Law Court.

GOVERNANCE

Best Practices in Board Governance

David Maurek, Mosaic Governance Advisors, provided an educational presentation for the Trustees regarding board governance. David discussed fiduciary responsibilities, board effectiveness, and best governance practices.

Board Self-Evaluation

- Action. Dick Metivier made the motion, seconded by Joe Perry, that the Board enter into executive session pursuant to 1 M.R.S. §405(6)(A) to discuss evaluation of public officials. Voted unanimously in favor by eight Trustees (Beliveau, Blaisdell, Duplessis, Fuller Googins, Kimball, Metivier, Noyes, and Perry).

The Board moved out of executive session.

ADJOURNMENT

The meeting adjourned at approximately 2:35 p.m.

9/10/26
Date Approved by the Board

Dr. Rebecca M. Wyke, Chief Executive Officer

Date Signed

MainePERS

PUBLIC EMPLOYEES RETIREMENT SYSTEM

Investment Actions
September 10, 2026

JSL Health Capital Fund II

Summary Recommendation

- Early-vintage venture capital manager investing at the intersection of healthcare and artificial intelligence
- JSL is a founder-led firm with deep technical expertise and an extensive network across the venture capital, healthcare, and technology ecosystems
- Investment Team sourced as a first-time commitment for MainePERS
- Fund II will build on the strategy and investment experience established in Fund I, which invested $74 million across 21 opportunities
- Commitment complements existing venture exposure while providing access to an emerging manager operating in a segment of the venture market characterized by greater return dispersion and the potential for outsized value creation
- **Up to $20 million commitment to JSL Health Capital Fund II and up to $10 million to a separate vehicle that will invest in select Fund II assets**

Investment Team believes that an investment is unlikely to lead to meaningful exposure to stocks, securities, or other obligations of fossil fuel or for-profit prison companies

Ares Senior Direct Lending Core

Summary Recommendation

- Diversified alternative asset management firm (~$623B in AUM)
- North American direct lending platform, primarily lending to private-equity owned businesses in defensive industries such as insurance, financial services, technology, business services, and healthcare equipment and supplies
- MainePERS committed $516 million to the prior North American and European focused funds
  - Senior Direct Lending Fund II & III (N. American): $200M (2021 & 2023)
  - Capital Europe IV – VI: $316M (2018 – 2023)
  - Total NAV of $268 million as of 3/31/2026
- Investment will build upon successful long-term relationship and complement the System's existing direct lending strategies
- **Up to $500 million commitment to Ares Senior Direct Lending Core**

Investment Team believes that an investment is unlikely to lead to meaningful exposure to stocks, securities, or other obligations of fossil fuel or for-profit prison companies

Technology Impact Fund (TIF) III / Technology Impact Growth Fund (TIGF) III

Summary Recommendation

- Multi-stage deep technology venture capital manager with $19B AUM and $1.5B in Technology impact platform
- Invests in technologies driving electrification, resource efficiency, decarbonization, infrastructure, energy-efficient computing, and semiconductor technology
- MainePERS committed $170 million to the both fund's two previous vintages including two co-investments
  - TIF/TIGF I & II: $160M (2017 & 2021)
  - Two co-investments: $10MM (2023 & 2024)
  - Total NAV of $373 million as of 12/31/25
- Commitment will build upon successful long-term relationship, broaden exposure to high-growth deep technology, and add vintage year diversification to the Private Equity portfolio
- **Up to $40 million commitment each to Technology Impact Fund III / Technology Impact Growth Fund III**

Investment Team believes that an investment is unlikely to lead to meaningful exposure to stocks, securities, or other obligations of fossil fuel or for-profit prison companies

Meridiam Infrastructure North America Core Infrastructure Fund ("MINA CIF")

Summary Recommendation

- Global alternative asset manager investing in infrastructure across Europe, Africa, and the Americas with over €24B in AUM
- MINA CIF benefits from Meridiam's scale in infrastructure and targets mature, cash-generative core assets in toll roads, ports and airports, light rail and social infrastructure
- MainePERS previously committed $364M to platform
  - SICAR: €10M
  - North America II and III: $95M and $50M, respectively
  - Europe II, III and IV: €20M, €85M and €75M, respectively
  - Total NAV of $590 million as of 12/31/25
- Combining existing assets from two existing funds into a core strategy to provide incremental value creation and attractive total return.
- **Roll MainePERS ~$280 million existing exposure into to MINA CIF**

Investment Team believes that an investment is unlikely to lead to meaningful exposure to stocks, securities, or other obligations of fossil fuel or for-profit prison companies

Meridiam Relationship Overview

Maine PERS Relationship

Meridiam Infrastructure Europe II (MIE II)
€20M committed (2015)

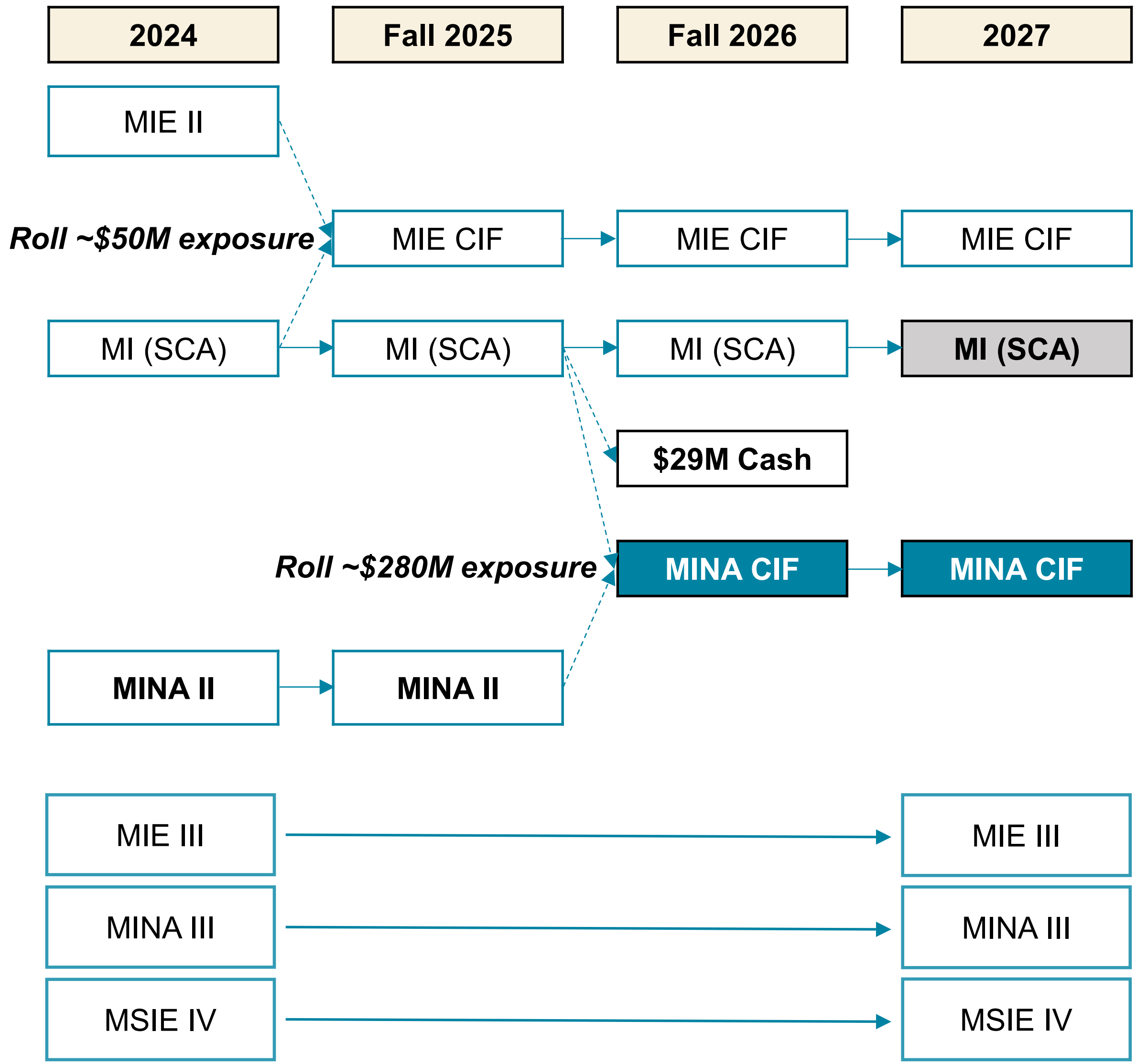
Meridiam Infrastructure (SCA)
€10M committed (2015)

Meridiam Infrastructure N. America II (MINA II)
$75M committed (2012); $20M (2015)

Meridiam Infrastructure Europe III (MIE III)
€85M committed (2016)

Meridiam Infrastructure N. America III (MINA III)
$50M committed (2017)

Meridiam Sustainable Infrastructure Europe IV (MSIE IV) €75M committed (2021)



Executive Session

Recommendation for Approval*

JSL Health Capital Fund II

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.

*Albourne concurs with this recommendation.

Recommendation for Approval*

Ares Senior Direct Lending Core

That MainePERS, subject to final due diligence, legal review and negotiations,

1) *Make a commitment of up to $500 million to Ares Senior Direct Lending Core BYOT Master Fund;*
2) *Grant the Investment Team discretion as to commitment deployment, redemption, and timing; and*
3) *Authorize the Chief Executive Officer, Chief Investment Officer, and General Counsel as signatories to execute documents in connection with this commitment.*

*Albourne concurs with this recommendation.

Recommendation for Approval*

Technology Impact Fund III / Technology Impact Growth Fund III

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.

*Albourne concurs with this recommendation.

Recommendation for Approval*

Meridiam Infrastructure North America Core Infrastructure Fund

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.

*Albourne concurs with this recommendation.

MAINEPERS

BOARD OF TRUSTEES INVESTMENTS MEMORANDUM

TO: BOARD MEMBERS

FROM: JAMES BENNETT, CHIEF INVESTMENT OFFICER

SUBJECT: **PUBLIC EQUITY BENCHMARK CHANGE FOR NON-DB ASSETS**

DATE: SEPTEMBER 2, 2026

The Investment Team recommends that the Total Public Equity benchmark for GLI, RHIT, and OPEB Trust assets be changed as shown in the table below. Proposed changes are reflected in the bold red text:

Asset	Benchmark	Weight
Total Public Equity	Russell 3000 & MSCI ACWI **IMI** ex-USA, based on ACWI **IMI** weights	70%
Traditional Credit	Barclays US Aggregate, ex Treasury	15%
U.S. Government Securities	50% Bloomberg Barclays U.S. Government Bond Market Index + 50% Bloomberg U.S. TIPS Index	15%

As discussed at the August Trustee meeting, changing the international component of the benchmark from ACWI ex-USA to ACWI ex-USA **IMI** will:

- Broaden the System's international equity holdings to include small capitalization stocks, in addition to the current large- and mid-capitalization holdings
- Marginally reduce the System's exposure to U.S. equities in favor of International equities
- Be effected with minimal trading costs and no changes to management fee rates

POLICY REFERENCE

Board Policy 2.1-A – GLI Investment Policy Statement

Board Policy 2.1-B – RHIT Investment Policy Statement

Board Policy 2.1-D – OPEB Trust Investment Policy Statement

Board Policy 4.5 – Board/Staff Relations

Board Policy 4.6 – Communication and Support to the Board

RECOMMENDATION

That the Board approve amended Board Policies 2.1-A, 2.1-B, and 2.1-D.

Board Responsibilities – Investment Policy for Group Life Insurance
2.1-A – GLI Investment Policy Statement

Date Adopted: October 12, 2017

Date Amended: November 12, 2020, October 12, 2023

Policy

The Board of Trustees of the Maine Public Employees Retirement System is authorized and responsible for administering group life insurance ("GLI") benefits for MainePERS members and for prudently investing GLI premiums until needed to pay benefits. The Board carries out its investment responsibility by adopting investment objectives and strategic asset allocations and delegating implementation to the investment staff (the "Investment Team").

Statutory/Legal Provisions

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

Investment Objectives

MainePERS' GLI investment goals are the preservation and growth of principal in accordance with long-term investment assumptions established from time to time by the Board for the defined benefits plans of the System, as considered appropriate by the Trustees. An additional consideration for the GLI investments is to maintain sufficient liquidity to pay benefits when due under existing GLI plan provisions and to provide flexibility should plan provisions change.

The Board recognizes and accepts that these investment goals are in opposition, and that a trade-off exists between expected risk and return. The Board seeks to achieve these goals by constructing a diversified portfolio containing a moderate-to-high level of investment risk.

Strategic Asset Allocation and Rebalancing

The strategic asset allocation and asset class target weights set forth in Appendix 1 are established, in consultation with investment and actuarial consultants, for the GLI investments. The Investment Team shall maintain asset class weights within target ranges. The Investment Team will provide Trustees with reports showing current asset allocations at least quarterly. The Investment Team and Board consultants shall annually review the GLI investments and asset allocations with Trustees. The Board shall review, and when strategically appropriate, approve recommended changes for implementation by the Investment Team.

Performance Objectives and Benchmarks

The Board acknowledges that benchmarks provide insight into fund and asset class performance but are not necessarily guides for changing asset allocations or fund managers. The rate of return earned by fund assets will be measured against a policy benchmark comprised of the asset class benchmarks. (See Appendix 2) Returns earned by individual managers will be compared with a benchmark index appropriate to each manager's investment approach.

For performance evaluation purposes, all rates of return will be measured net of the deduction of investment management fees.

During a period of transition from one asset allocation to another, certain transitional allocations to appropriate benchmarks are permitted.

Investment Implementation

The Investment Team shall implement the GLI investment policy, subject to Board guidelines:

- Exposure to publicly traded equity securities is expected to be obtained passively and with weightings substantially similar to those of the benchmarks specified in Appendix 2. Any exceptions must be approved by the Board.
- Investments within each asset class should be consistent with the asset class definitions appended to Board Policy 2.1.

Environmental, Social, and Governance; Engagement

In performing due diligence and monitoring activities, the Board and the Investment Team shall comply with Board Policy 2.6, Environmental, Social and Governance Policy; and Board Policy 2.7, Engagement.

Investment Manager Selection and Allocation Process

MainePERS invests through external investment managers, who are charged to act as fiduciaries, and allocates fund assets among them in accordance with the strategic asset allocation. The Investment Team identifies, performs due diligence on, and recommends investment managers and allocations to the Board. The Investment Team also monitors performance and recommends retention and termination decisions to the Board. The Board retains final authority for manager selection, retention and termination decisions.

Managers are selected and retained on the basis of an evaluation that establishes sufficient confidence that the manager will improve the return and risk of the investment program. If and when the Investment Team and/or consultant(s) identify an investment manager that they believe will improve the investment program, the Investment Team will make a recommendation to the Board of Trustees that the manager be hired. This recommendation will be accompanied by an opinion by the investment consultant on this recommendation. The Board retains the final authority to accept or reject such recommendations.

The Investment Team will prepare and present to the Board of Trustees selection criteria they deem pertinent for each manager search and recommendation to hire. The Investment Team will provide the Board with all the necessary information and analysis to enable an informed decision. The Board may choose to interview the recommended manager or they may rely on the Investment Team to conduct interviews.

Derivatives/Leverage

In general, the use of derivatives is permitted provided that the purpose of the derivative is to achieve an investment objective at lower cost and/or risk than would be the case with direct investments in the underlying securities. Derivatives are not to be used as a means of obtaining leverage. The use of leverage in any strategy must be disclosed to the Board prior to the Board's approval.

The Board has reviewed the benefits and risks associated with foreign currency exposures. As a general rule the Board has chosen not to hedge currency at the portfolio level. Unless otherwise directed asset managers will have discretion to hedge investments under their management as they deem most beneficial to their mandate.

Transaction Costs and Brokerage

The Board of Trustees expects investment managers, in their capacity as fiduciaries, to manage transaction costs in the best interests of the System as an investor. To enable the managers to fulfill this fiduciary duty, it is the Board's policy not to be party to directed brokerage programs.

Emergency Measures

Immediate action may be taken beyond the bounds of this policy under extraordinary circumstances and in order to preserve the best interests of the plans' participants by unanimous decision of the following:

- The Chair, or in the Chair's absence, Vice Chair of the Board
- The Executive Director, or in the Executive Director's absence, the General Counsel
- The Chief Investment Officer, or in the Chief Investment Officer's absence, Deputy Chief Investment Officer, or in the absence of both of them, the general investment consultant

Any such action must be reported to the Board of Trustees at the earliest opportunity.

Board Responsibilities – Investment Policy for Group life Insurance
Appendix 1: Asset Classes, Policy Weights and Ranges

Date Adopted: October 12, 2017

Date Amended: October 12, 2023

The System's Group Life Insurance assets are invested across four asset classes that play distinct roles. The asset classes and target policy weights and ranges are set forth below.

	Weights		
	Minimum	Policy	Maximum
Public Equity	60%	70%	80%
Traditional Credit	10%	15%	20%
US Government Securities	10%	15%	20%
Cash	0%	0%	10%

Board Responsibilities – Investment Policy for Group life Insurance

Appendix 2: Policy Benchmarks

Date Adopted: October 12, 2017

Date Amended: October 12, 2023, September 10, 2026

Asset	Benchmark	Weight
Total Public Equity	Russell 3000 & MSCI ACWI IMI ex-USA, based on ACWI IMI weights	70%
Traditional Credit	Barclays US Aggregate, ex Treasury	15%
U.S. Government Securities	50% Bloomberg Barclays U.S. Government Bond Market Index + 50% Bloomberg U.S. TIPS Index	15%

Board Responsibilities – Investment Policy for Retiree Health Insurance Post-Employment Benefits Investment Trust

2.1-B – RHIT Investment Policy Statement

Date Adopted: July 12, 2018

Date Amended: November 18, 2021; October 12, 2023

Policy

The members of the Board of Trustees, as trustees of the Retiree Health Insurance Post-Employment Benefits Investment Trust Fund (“RHIT” or “Investment Trust Fund”), are authorized and responsible for investing and managing the assets of the Investment Trust Fund in accordance with statutory requirements and the Investment Trust Fund Agreement dated January 10, 2008. The Board carries out its investment responsibility by adopting investment objectives and strategic asset allocations and delegating implementation to the investment staff (the “Investment Team”).

Statutory/Legal Provisions

- 5 M.R.S. §§ 17431 - 17439; 18-B M.R.S. § 801, et seq. (Maine Uniform Trust Code); 18-B M.R.S. § 901, et seq. (Maine Uniform Prudent Investor Act).
- 5 M.R.S. §§ 17153(4).
- 5 M.R.S. § 286-B.
- Restatement (Third) of Trusts § 78(1) (2007) (the “sole interest rule”).
- Restatement (Third) of Trusts formally permits, and in some cases requires, the delegation of investment decisions from trustees to internal staff or external agents with the necessary skills and knowledge.
- The Employee Retirement Income Security Act (“ERISA”), codified at 29 U.S.C. § 1002, *et seq.*, provides a description of the standard of care that applies to trustees of private sector retirement plans. Although the System as a public retirement plan is not specifically governed by the fiduciary duty standard set forth in ERISA, courts will often consider the standard set forth in ERISA when addressing public pension plan issues. Under ERISA, a fiduciary must act with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person (expert) acting in a like capacity would act. This statutory standard is derived from the common law of trusts, which is applicable in the State of Maine.

Background

The RHIT is established in statute to hold and invest funds for the benefit of the Irrevocable Trust Funds for Other Post-Employment Benefits (“Benefit Trusts”), which are separate trusts established to meet the State's unfunded liability obligations for retiree health benefits. The statute names the Board members as the trustees of the Investment Trust Fund.

The Benefit Trusts provide funding for the Investment Trust Fund pursuant to the Benefit Trusts' funding plans. These funding plans include payment of the unfunded liability as of June 30, 2007, by June 30, 2037. The funding plans are based on an expected rate of return of 6.5%. No disbursement of funds is expected from the Investment Trust Fund before the year 2027. The Investment Trust Fund may be required to make disbursements subsequent to 2027, and requests for disbursement may be received at any time.

Investment Objectives

The assets of the Investment Trust Fund are to be invested with a long-term time horizon in accordance with the Maine Uniform Trust Code and the Maine Uniform Prudent Investor Act.

The primary goals of Investment Trust Fund are the preservation and growth of principal in accordance with long-term investment assumptions established from time to time by the Board for the defined benefits plans of the System, as considered appropriate by the Trustees.

The Board recognizes and accepts that these goals are in opposition, and that a trade-off exists between expected risk and return. The Board seeks to achieve these goals by constructing a diversified portfolio containing a moderate-to-high level of investment risk.

Strategic Asset Allocation and Rebalancing

The strategic asset allocation and asset class target weights set forth in Appendix 1 are established for the RHIT investments. The Investment Team shall maintain asset class weights within target ranges. The Investment Team will provide Trustees with reports showing current asset allocations at least quarterly. The Investment Team shall annually review the RHIT investments and asset allocations with Trustees. The Board shall review, and when strategically appropriate, approve recommended changes for implementation by the Investment Team.

Performance Objectives and Benchmarks

The Board acknowledges that benchmarks provide insight into fund and asset class performance but are not necessarily guides for changing asset allocations or fund managers. The rate of return earned by fund assets will be measured against a policy benchmark comprised of the asset class benchmarks. (See Appendix 2) Returns earned by individual managers will be compared with a benchmark index appropriate to each manager's investment approach.

For performance evaluation purposes, all rates of return will be measured net of the deduction of investment management fees.

During a period of transition from one asset allocation to another, certain transitional allocations to appropriate benchmarks are permitted.

Investment Implementation

The Investment Team shall implement the RHIT investment policy, subject to Board guidelines:

- Exposure to publicly traded equity securities is expected to be obtained passively and with weightings substantially similar to those of the benchmarks specified in Appendix 2. Any exceptions must be approved by the Board.
- Investments within each asset class should be consistent with the asset class definitions appended to Board Policy 2.1.

Environmental, Social, and Governance; Engagement

In performing due diligence and monitoring activities, the Board and the Investment Team shall comply with Board Policy 2.6, Environmental, Social and Governance Policy; and Board Policy 2.7, Engagement.

Investment Manager Selection and Allocation Process

MainePERS invests through external investment managers, who are charged to act as fiduciaries, and allocates fund assets among them in accordance with the strategic asset allocation. The Investment Team identifies, performs due diligence on, and recommends investment managers and allocations to the Board. The Investment Team also monitors performance and recommends retention and termination decisions to the Board. The Board retains final authority for manager selection, retention and termination decisions.

Managers are selected and retained on the basis of an evaluation that establishes sufficient confidence that the manager will improve the return and risk of the investment program. If and when the Investment Team and/or consultant(s) identify an investment manager that they believe will improve the investment program, the Investment Team will make a recommendation to the Board of Trustees that the manager be hired. This recommendation will be accompanied by an opinion by the investment consultant on this recommendation. The Board retains the final authority to accept or reject such recommendations.

The Investment Team will prepare and present to the Board of Trustees selection criteria they deem pertinent for each manager search and recommendation to hire. The Investment Team will provide the Board with all the necessary information and analysis to enable an informed decision. The Board may choose to interview the recommended manager or they may rely on the Investment Team to conduct interviews.

Derivatives/Leverage

In general, the use of derivatives is permitted provided that the purpose of the derivative is to achieve an investment objective at lower cost and/or risk than would be the case with direct investments in the underlying securities. Derivatives are not to be used as a means of obtaining leverage. The use of leverage in any strategy must be disclosed to the Board prior to the Board's approval.

The Board has reviewed the benefits and risks associated with foreign currency exposures. As a general rule the Board has chosen not to hedge currency at the portfolio level. Unless otherwise directed asset managers will have discretion to hedge investments under their management as they deem most beneficial to their mandate.

Transaction Costs and Brokerage

The Board of Trustees expects investment managers, in their capacity as fiduciaries, to manage transaction costs in the best interests of the System as an investor. To enable the managers to fulfill this fiduciary duty, it is the Board's policy not to be party to directed brokerage programs.

Emergency Measures

Immediate action may be taken beyond the bounds of this policy under extraordinary circumstances and in order to preserve the best interests of the plans' participants by unanimous decision of the following:

- The Chair, or in the Chair's absence, Vice Chair of the Board
- The Chief Executive Officer, or in the Chief Executive Officer's absence, the Chief Operating Officer
- The Chief Investment Officer, or in the Chief Investment Officer's absence, Deputy Chief Investment Officer, or in the absence of both of them, the general investment consultant.

Any such action must be reported to the Board of Trustees at the earliest opportunity.

Board Responsibilities – Investment Policy for RHIT
Appendix 1: Asset Classes, Policy Weights and Ranges

Date Adopted: July 12, 2018

Date Amended: October 12, 2023

The RHIT assets are invested across four asset classes that play distinct roles. The asset classes and target policy weights and ranges are set forth below.

	Weights		
	Minimum	Policy	Maximum
Public Equity	60%	70%	80%
Traditional Credit	10%	15%	20%
US Government Securities	10%	15%	20%
Cash	0%	0%	10%

Board Responsibilities – Investment Policy for RHIT

Appendix 2: Policy Benchmarks

Date Adopted: July 12, 2018

Date Amended: October 12, 2023, September 10, 2026

Asset	Benchmark	Weight
Total Public Equity	Russell 3000 & MSCI ACWI IMI ex-USA, based on ACWI IMI weights	70%
Traditional Credit	Barclays US Aggregate, ex Treasury	15%
U.S. Government Securities	50% Bloomberg Barclays U.S. Government Bond Market Index + 50% Bloomberg U.S. TIPS Index	15%

Board Responsibilities – Investment Policy for MainePERS Other Post-Employment Benefits Trust

2.1-D – OPEB Trust Investment Policy Statement

Date Adopted: November 9, 2023

Policy

The members of the Board of Trustees, as trustees of the MainePERS Other Post-Employment Benefits Trust ("OPEB Trust" or "Investment Trust"), are authorized and responsible for investing and managing the assets of the Investment Trust in accordance with legal requirements and the Maine Public Employees Retirement System Other Post-Employment Benefits Trust Agreement dated April 8, 2010 (the "Trust Agreement"). The Board carries out its investment responsibility by adopting investment objectives and strategic asset allocations and delegating implementation to the investment staff (the "Investment Team").

Statutory/Legal Provisions

- 5 M.R.S. §§ 17431 - 17439; 18-B M.R.S. § 801, et seq. (Maine Uniform Trust Code); 18-B M.R.S. § 901, et seq. (Maine Uniform Prudent Investor Act).
- 5 M.R.S. § 17153.
- Restatement (Third) of Trusts § 78(1) (2007) (the "sole interest rule").
- Restatement (Third) of Trusts formally permits, and in some cases requires, the delegation of investment decisions from trustees to internal staff or external agents with the necessary skills and knowledge.
- The Employee Retirement Income Security Act ("ERISA"), codified at 29 U.S.C. § 1002, *et seq.*, provides a description of the standard of care that applies to trustees of private sector retirement plans. Although the System as a public retirement plan is not specifically governed by the fiduciary duty standard set forth in ERISA, courts will often consider the standard set forth in ERISA when addressing public pension plan issues. Under ERISA, a fiduciary must act with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person (expert) acting in a like capacity would act. This statutory standard is derived from the common law of trusts, which is applicable in the State of Maine.

Background

The OPEB Trust is established by Trust Agreement to hold and invest funds for the exclusive purpose of providing funds to pay OPEB for certain MainePERS retired employees and their beneficiaries. The Trust Agreement names the Board members as the trustees of the OPEB Trust ("Trustees").

Investment Objectives

The assets of the OPEB Trust are to be invested with a long-term time horizon in accordance with the Maine Uniform Trust Code and the Maine Uniform Prudent Investor Act.

The primary goals of OPEB Trust are the preservation and growth of principal in accordance with long-term investment assumptions established from time to time by the Board for the defined benefits plans of the System, as considered appropriate by the Trustees.

The Board recognizes and accepts that these goals are in opposition, and that a trade-off exists between expected risk and return. The Board seeks to achieve these goals by constructing a diversified portfolio containing a moderate-to-high level of investment risk.

Strategic Asset Allocation and Rebalancing

The strategic asset allocation and asset class target weights set forth in Appendix 1 are established for the OPEB Trust investments. The Investment Team shall maintain asset class weights within target ranges. The Investment Team will provide Trustees with reports showing current asset allocations at least quarterly. The Investment Team shall annually review the investments and asset allocations with Trustees. The Board shall review, and when strategically appropriate, approve recommended changes for implementation by the Investment Team.

Performance Objectives and Benchmarks

The Board acknowledges that benchmarks provide insight into fund and asset class performance but are not necessarily guides for changing asset allocations or fund managers. The rate of return earned by fund assets will be measured against a policy benchmark comprised of the asset class benchmarks. (See Appendix 2). Returns earned by individual managers will be compared with a benchmark index appropriate to each manager's investment approach.

For performance evaluation purposes, all rates of return will be measured net of the deduction of investment management fees.

During a period of transition from one asset allocation to another, certain transitional allocations to appropriate benchmarks are permitted.

Investment Implementation

The Investment Team shall implement the OPEB Trust Investment Policy, subject to Board guidelines:

- Exposure to publicly traded equity securities is expected to be obtained passively and with weightings substantially similar to those of the benchmarks specified in Appendix 2. Any exceptions must be approved by the Board.
- Investments within each asset class should be consistent with the asset class definitions appended to Board Policy 2.1.

Environmental, Social, and Governance; Engagement

In performing due diligence and monitoring activities, the Board and the Investment Team shall comply with Board Policy 2.6, Environmental, Social and Governance Policy; and Board Policy 2.7, Engagement.

Investment Manager Selection and Allocation Process

MainePERS invests through external investment managers, who are charged to act as fiduciaries, and allocates fund assets among them in accordance with the strategic asset allocation. The Investment Team identifies, performs due diligence on, and recommends investment managers and allocations to the Board. The Investment Team also monitors performance and recommends retention and termination decisions to the Board. The Board retains final authority for manager selection, retention and termination decisions.

Managers are selected and retained on the basis of an evaluation that establishes sufficient confidence that the manager will improve the return and risk of the investment program. If and when the Investment Team and/or consultant(s) identify an investment manager that they believe will improve the investment program, the Investment Team will make a recommendation to the Board of Trustees that the manager be hired. This recommendation will be accompanied by an opinion by the investment consultant on this recommendation. The Board retains the final authority to accept or reject such recommendations.

The Investment Team will prepare and present to the Board of Trustees selection criteria they deem pertinent for each manager search and recommendation to hire. The Investment Team will provide the Board with all the necessary information and analysis to enable an informed decision. The Board may choose to interview the recommended manager or they may rely on the Investment Team to conduct interviews.

Derivatives/Leverage

In general, the use of derivatives is permitted provided that the purpose of the derivative is to achieve an investment objective at lower cost and/or risk than would be the case with direct investments in the underlying securities. Derivatives are not to be used as a means of obtaining leverage. The use of leverage in any strategy must be disclosed to the Board prior to the Board's approval.

The Board has reviewed the benefits and risks associated with foreign currency exposures. As a general rule the Board has chosen not to hedge currency at the portfolio level. Unless otherwise directed asset managers will have discretion to hedge investments under their management as they deem most beneficial to their mandate.

Transaction Costs and Brokerage

The Board of Trustees expects investment managers, in their capacity as fiduciaries, to manage transaction costs in the best interests of the System as an investor. To enable the managers to fulfill this fiduciary duty, it is the Board's policy not to be party to directed brokerage programs.

Emergency Measures

Immediate action may be taken beyond the bounds of this policy under extraordinary circumstances and in order to preserve the best interests of the plans' participants by unanimous decision of the following:

- The Chair, or in the Chair's absence, Vice Chair of the Board
- The Chief Executive Officer, or in the Chief Executive Officer's absence, the Chief Operating Officer
- The Chief Investment Officer, or in the Chief Investment Officer's absence, Deputy Chief Investment Officer, or in the absence of both of them, the general investment consultant.

Any such action must be reported to the Board of Trustees at the earliest opportunity.

Board Responsibilities – Investment Policy for MainePERS OPEB Trust
Appendix 1: Asset Classes, Policy Weights and Ranges

Date Adopted: November 9, 2023

The OPEB Trust assets are invested across four asset classes that play distinct roles. The asset classes and target policy weights and ranges are set forth below.

	Weights		
	Minimum	Policy	Maximum
Public Equity	60%	70%	80%
Traditional Credit	10%	15%	20%
US Government Securities	10%	15%	20%
Cash	0%	0%	10%

Board Responsibilities – Investment Policy for MainePERS OPEB Trust
Appendix 2: Policy Benchmarks

Date Adopted: November 9, 2023

Date Amended: September 10, 2026

Asset	Benchmark	Weight
Total Public Equity	Russell 3000 & MSCI ACWI IMI ex-USA, based on ACWI IMI weights	70%
Traditional Credit	Barclays US Aggregate, ex Treasury	15%
U.S. Government Securities	50% Bloomberg Barclays U.S. Government Bond Market Index + 50% Bloomberg U.S. TIPS Index	15%

CAMBRIDGE ASSOCIATES

Market Update

September 2026

Biography

Wade O’Brien

Managing Director, Capital Markets Research

T: +1 (571) 480-2748

E: wobrien@cambridgeassociates.com

Wade O’Brien is a Managing Director for the Capital Markets Research team at Cambridge Associates.

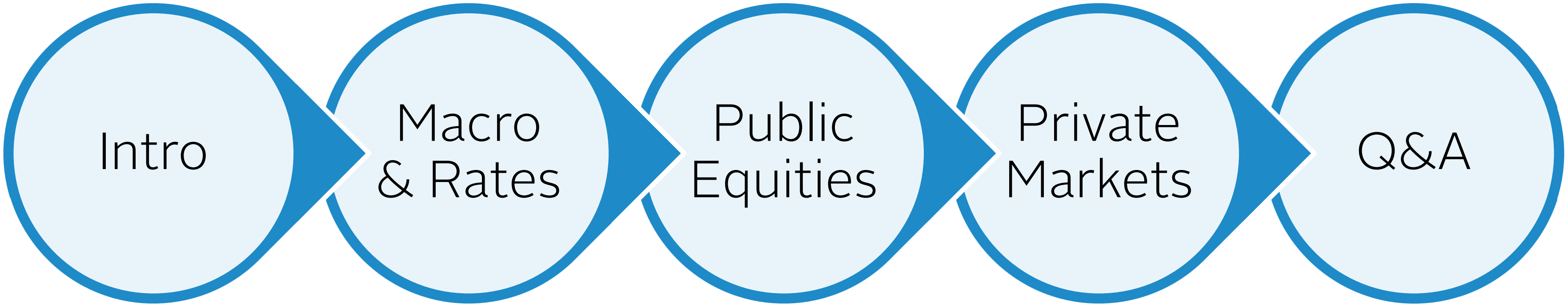
Wade joined the firm in 2009 and has almost 25 years of industry experience. Wade is a macro strategist who focuses on asset allocation research and specializes in credit. He serves as a dedicated resource for some of the firm’s larger family and endowment clients is a regular speaker at internal and external conferences. His perspectives have been featured in the Wall Street Journal, Forbes, Private Debt Investor, and other publications.

Wade is a member of the firm’s Tactical Asset Allocation Committee and Credit Investment Ratings Committee.

Prior to joining Cambridge Associates, Wade worked as a Vice President for Deutsche Bank in London, advising European financial institutions on debt and equity issuance. He also worked in municipal finance at Hutchinson, Shockey, Erley & Co.

Wade received his MBA in Finance from Yale School of Management and his BA in Economics from Washington University in St. Louis.

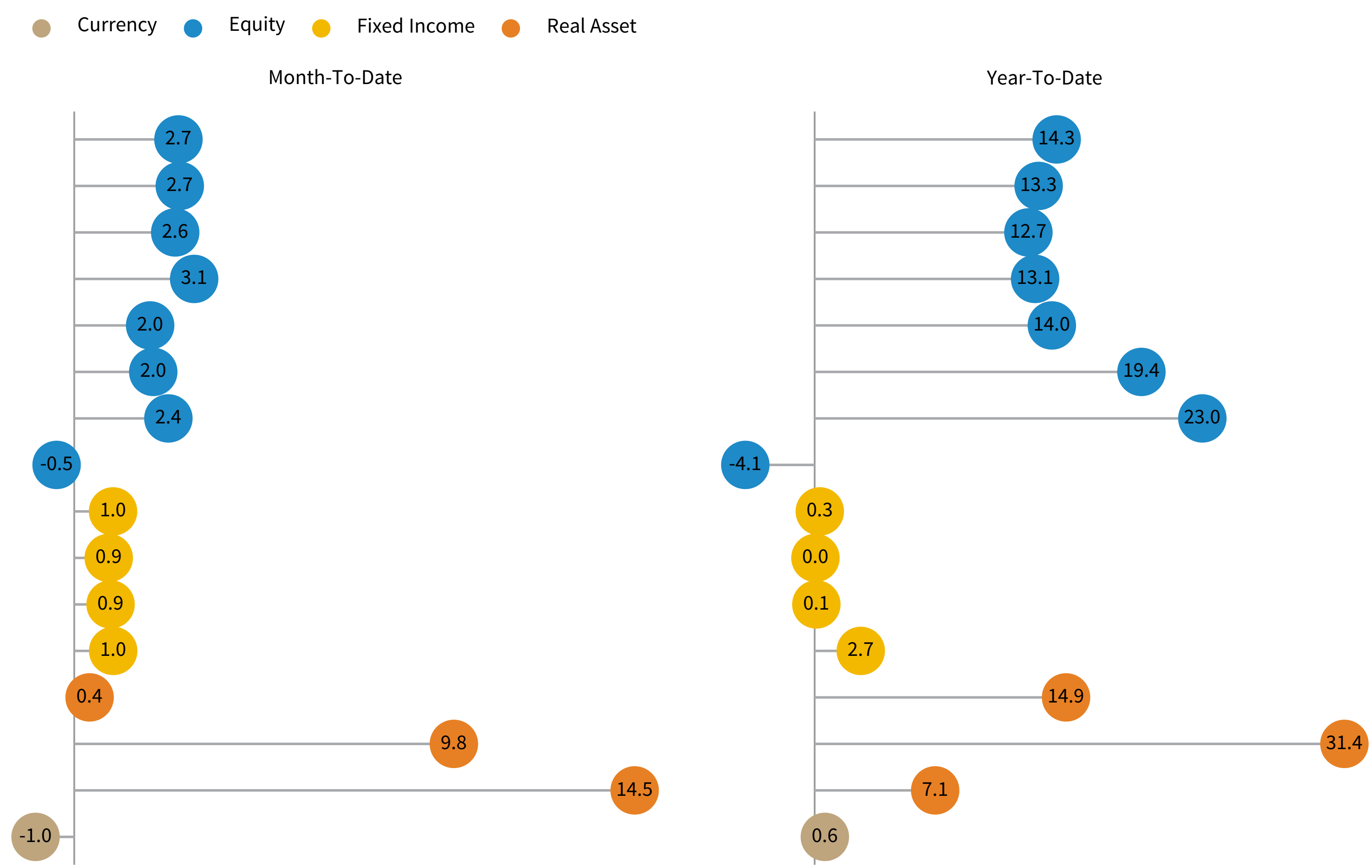
Agenda



Markets have climbed a "wall of worry" over Iran, inflation, AI spending, etc.

Global asset class performance

As of August 25, 2026 • US Dollar • Percent (%)

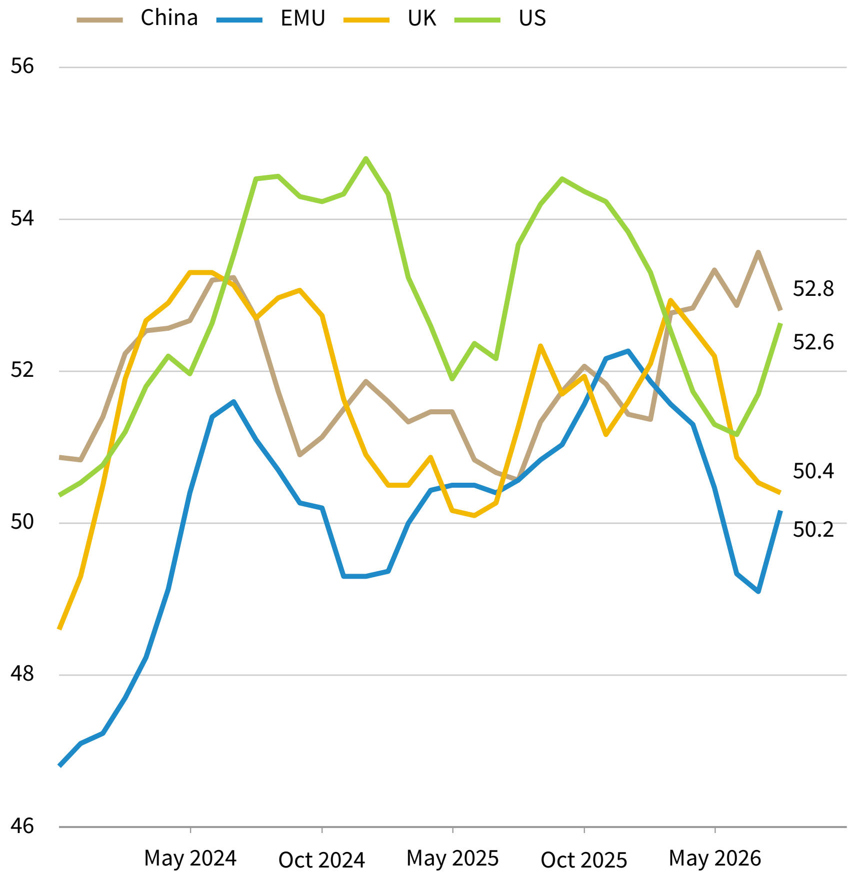


Sources: Bloomberg Index Services Limited., ICE Benchmark Administration Ltd., MSCI Inc., and Thomson Reuters Datastream. MSCI data provided "as is" without any express or implied warranties.
Notes: All data are in US dollar terms. Equity data are total returns net of dividend taxes of MSCI indexes. Fixed income data are total returns of Bloomberg indexes. MSCI Global Equity REIT Index, the MSCI ACWI Commodity Producers Index, and LBMA gold prices are used to calculate real asset performances. The US Dollar Index (DXY) is used to calculate US Dollar performance.

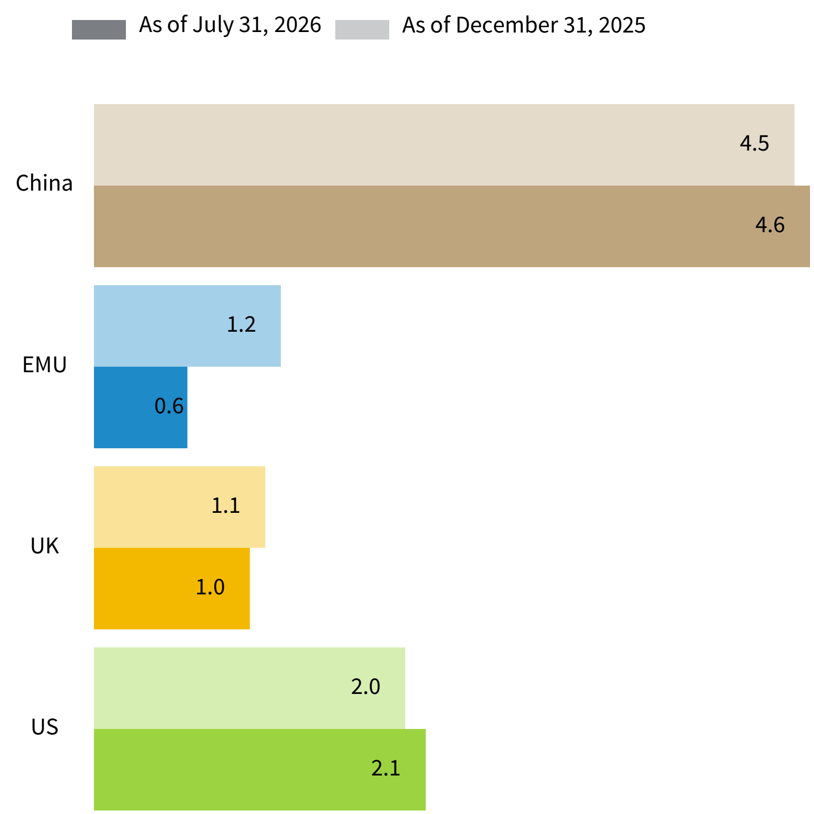
Economic data is rebounding

Economic activity and growth expectations

Composite PMI
October 31, 2023 – July 31, 2026 • Index Value



2026 Real GDP Growth Estimates
Percent (%)

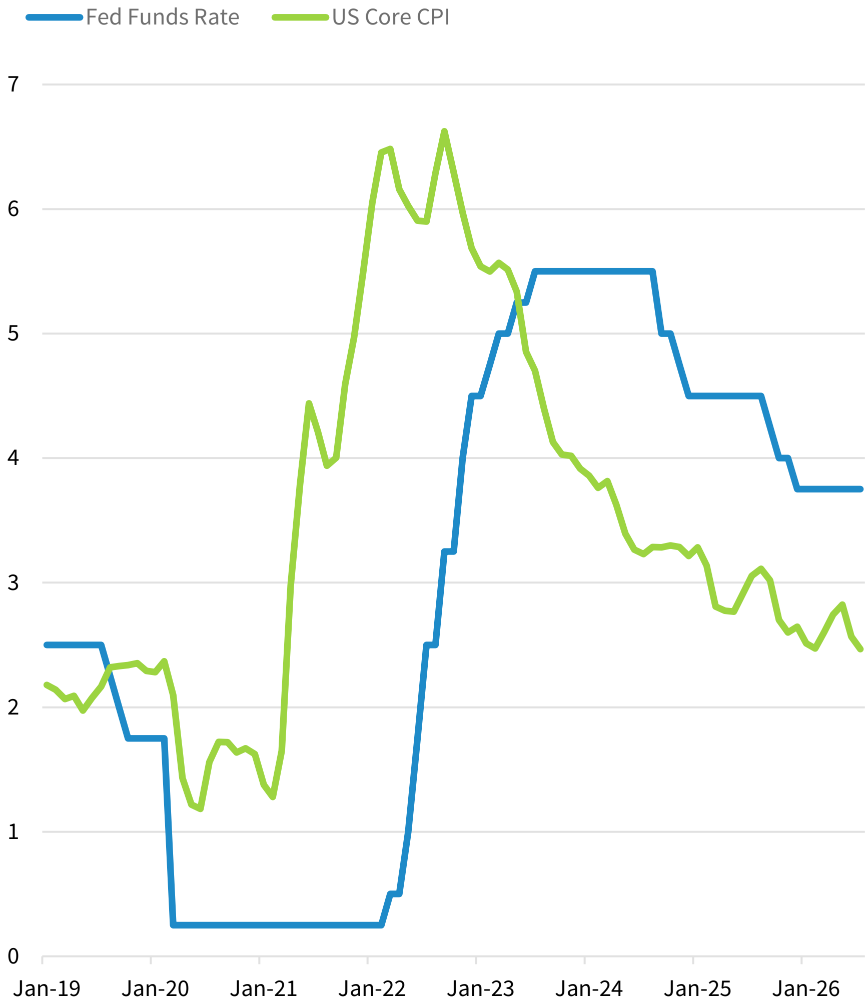


Sources: Bloomberg L.P., S&P Global, and Thomson Reuters Datastream.
Notes: Composite PMI data represent three-month averages. A composite PMI (Purchasing Managers Index) is a survey-based economic indicator that combines responses from purchasing managers in both the manufacturing and services sectors to gauge overall business activity. The index is calculated as a weighted average of the proportion of respondents reporting improvement, no change, or deterioration in key business metrics. A reading above 50 signals expansion in activity, while a reading below 50 indicates contraction.

Fed's job is complicated by Iran war but also massive fiscal stimulus

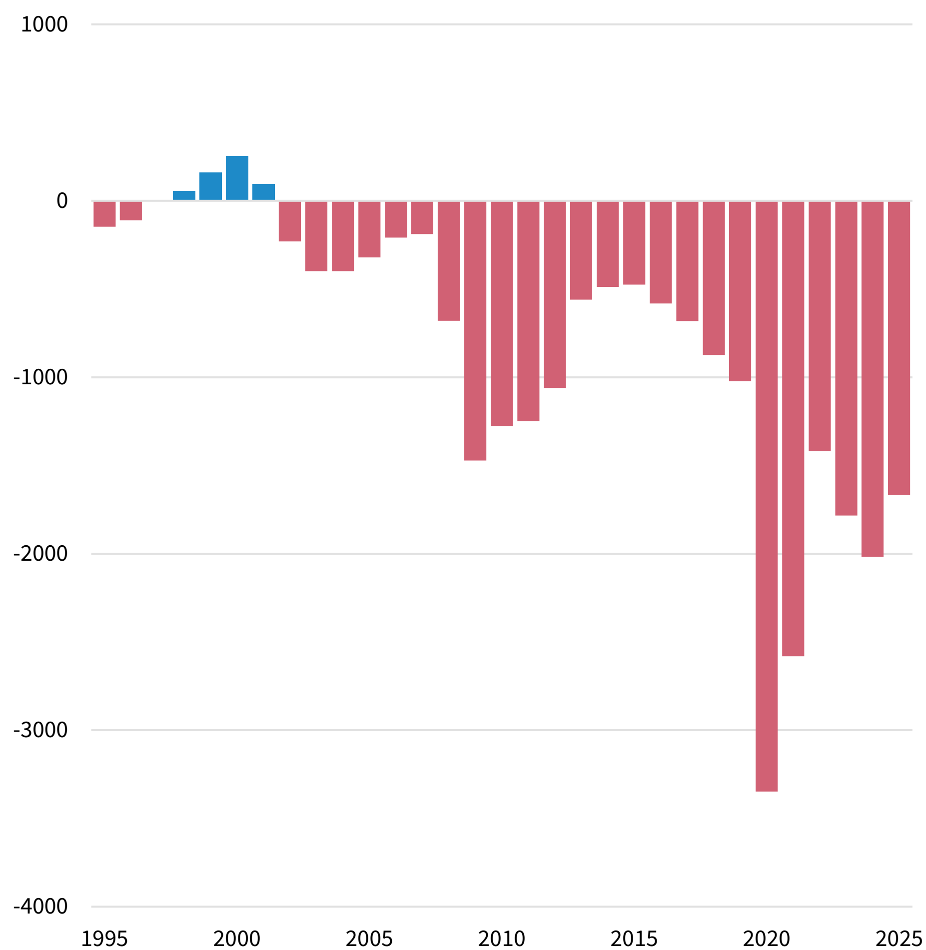
Inflation and base rates

January 31, 2019 – July 31, 2026 • YoY • Percentage (%)



US fiscal year deficit/surplus

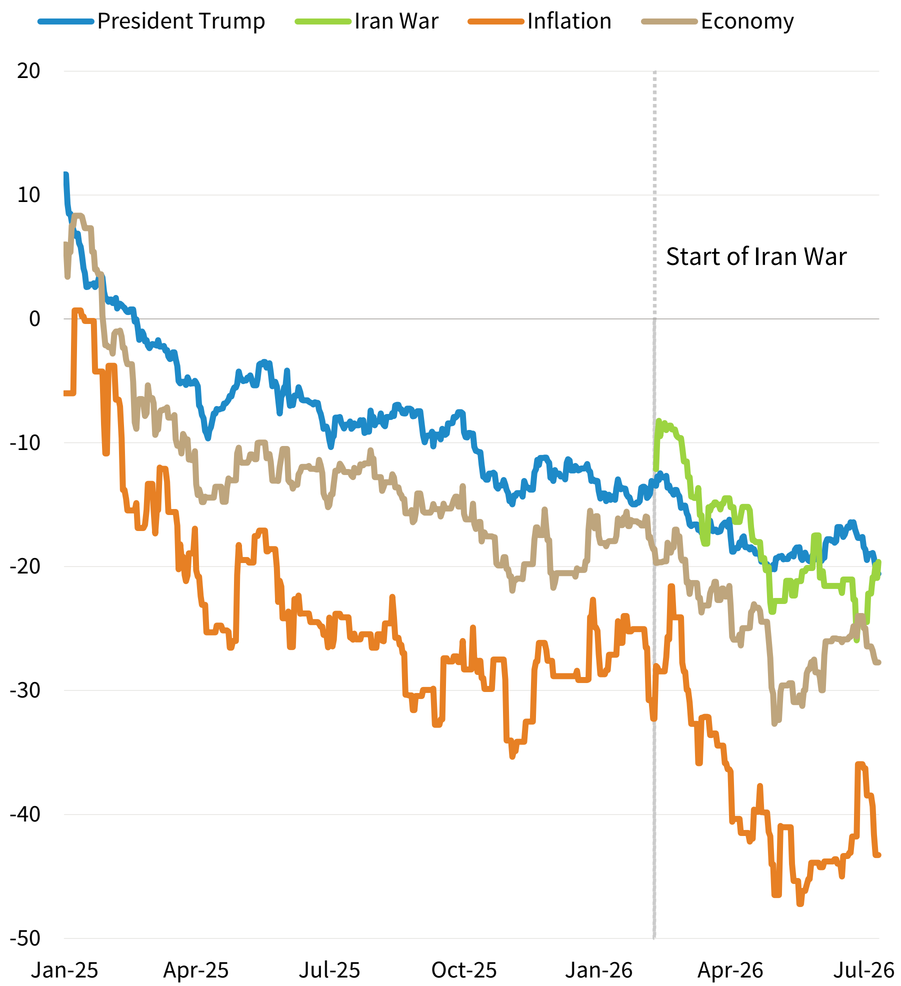
1995 – 2025 • US Dollar (Bn)



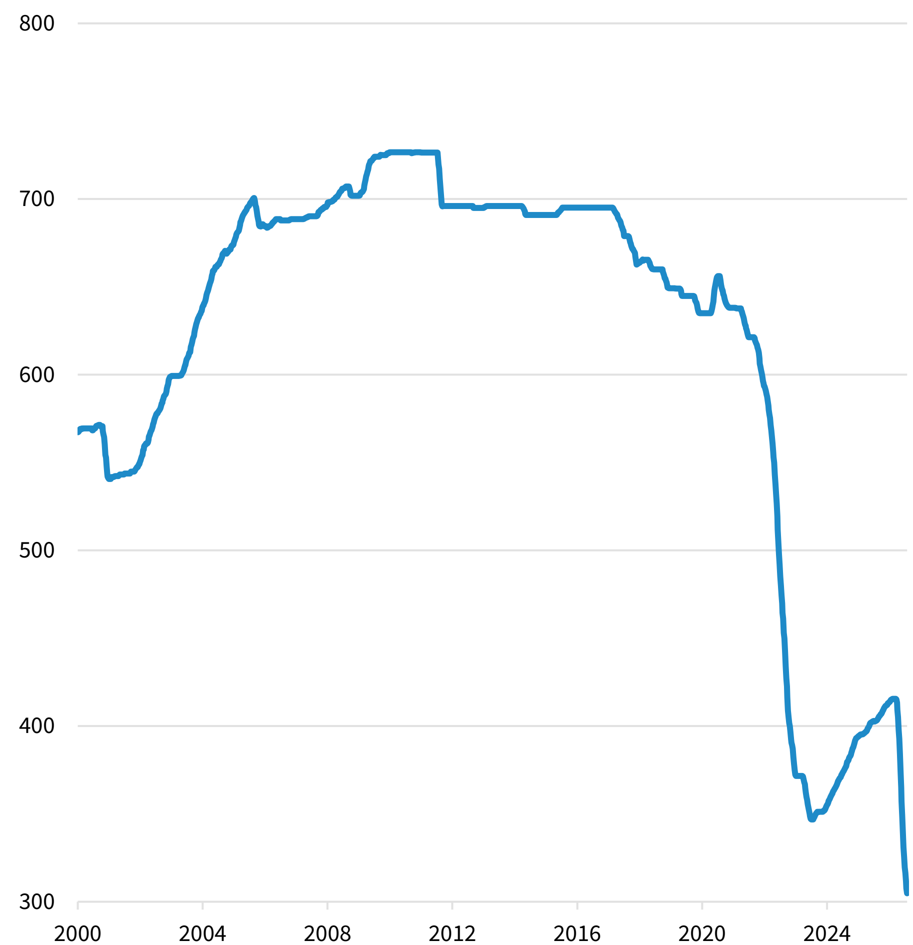
Sources: Thompson Reuters Datastream, Bureau of Labor Statistics, and US Treasury Bureau of the Fiscal Service. Third-party data provided "as is" without any express or implied warranties.
Notes: LHS US Core CPI data are monthly.

War in Iran has some limiting factors

Net approval rating for President Trump and for key issues
January 21, 2025 – July 31, 2026 • Percent (%)



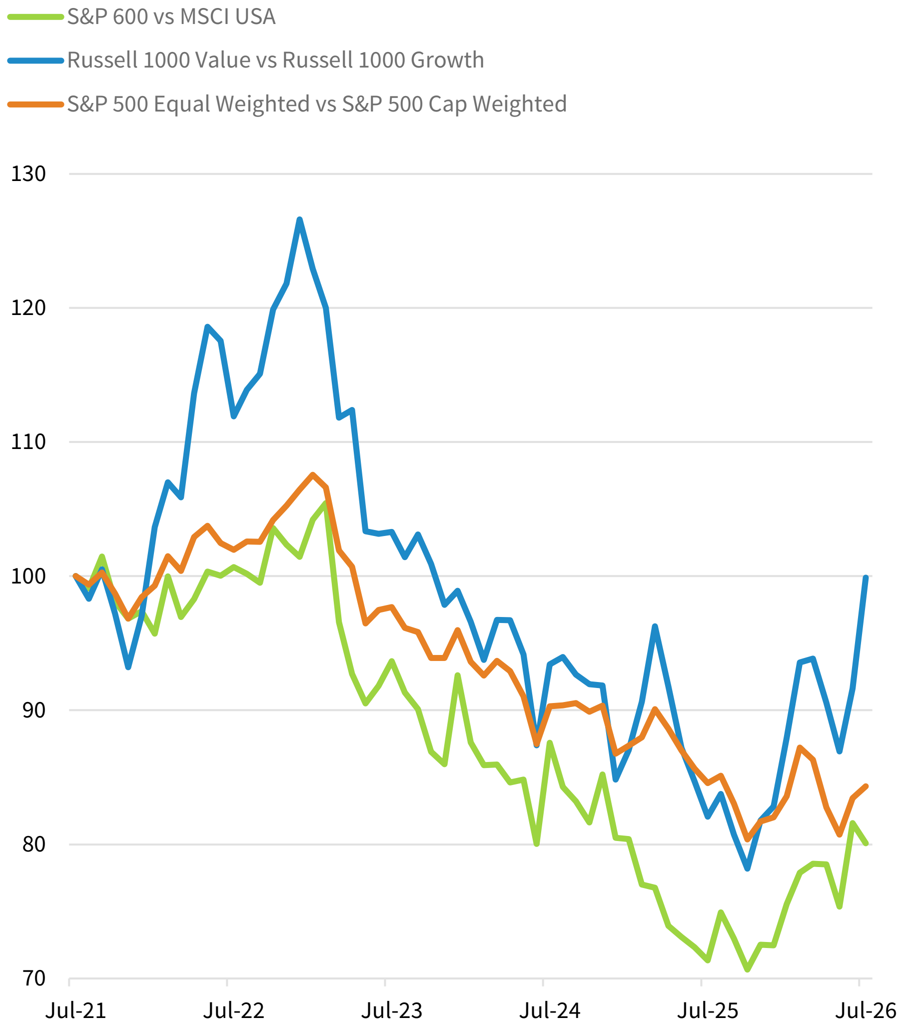
US strategic petroleum reserve
January 7, 2000 – July 31, 2026 • Million of barrels



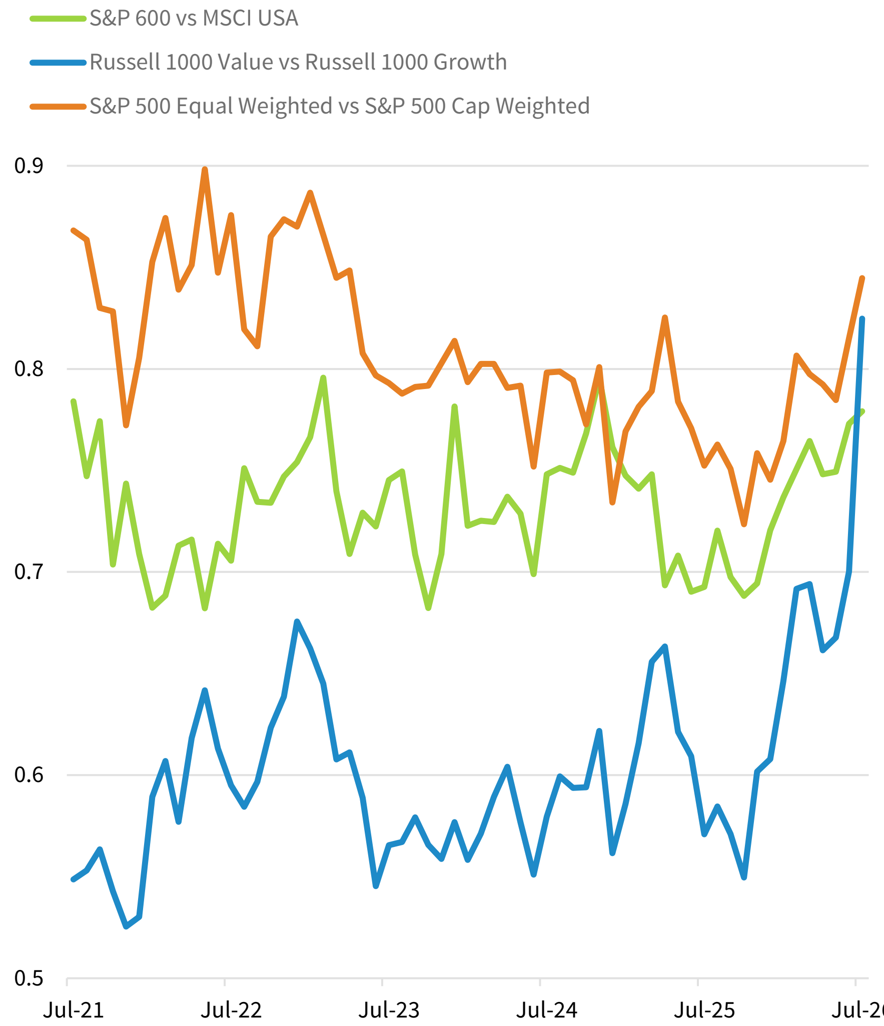
Sources: Silver Bulletin and U.S. Energy Information Administration. Third-party data provided “as is” without any express or implied warranties.
Notes: Polling data for the Iran War begin on March 1, 2026. RHS chart data are weekly.

Investors are diversifying away from top-heavy (and tech-heavy) US large caps

Relative 5-year cumulative performance for select indexes
July 31, 2021 – July 31, 2026 • July 31, 2021 = 100



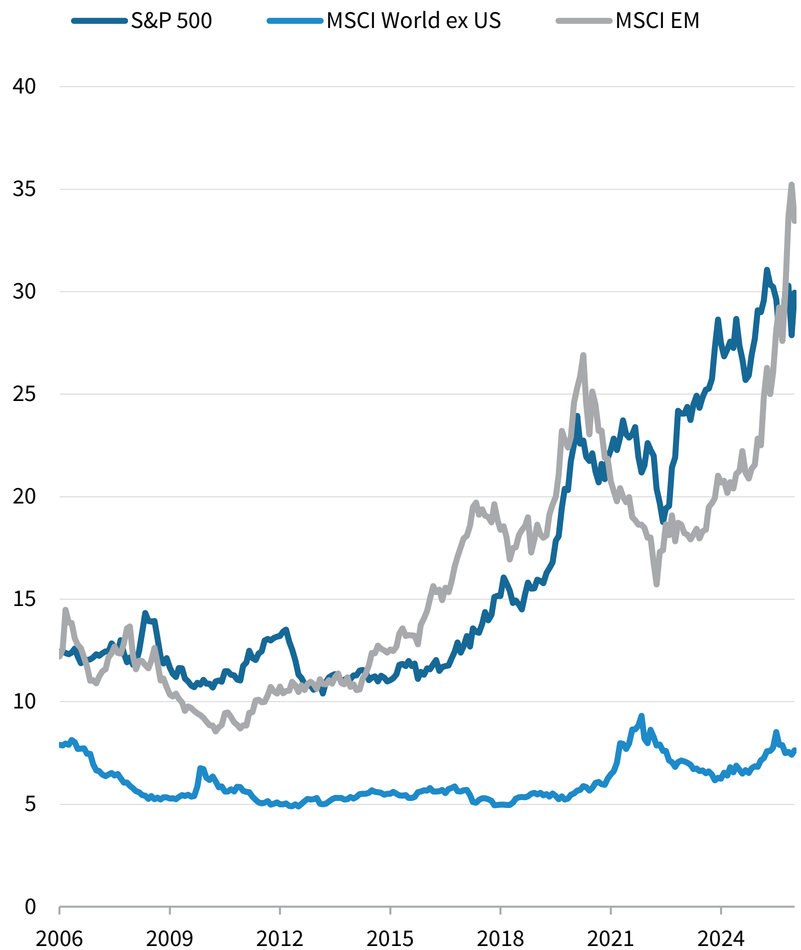
Relative forward PE ratios for select indexes
July 31, 2021 – July 31, 2026 • Ratio (x)



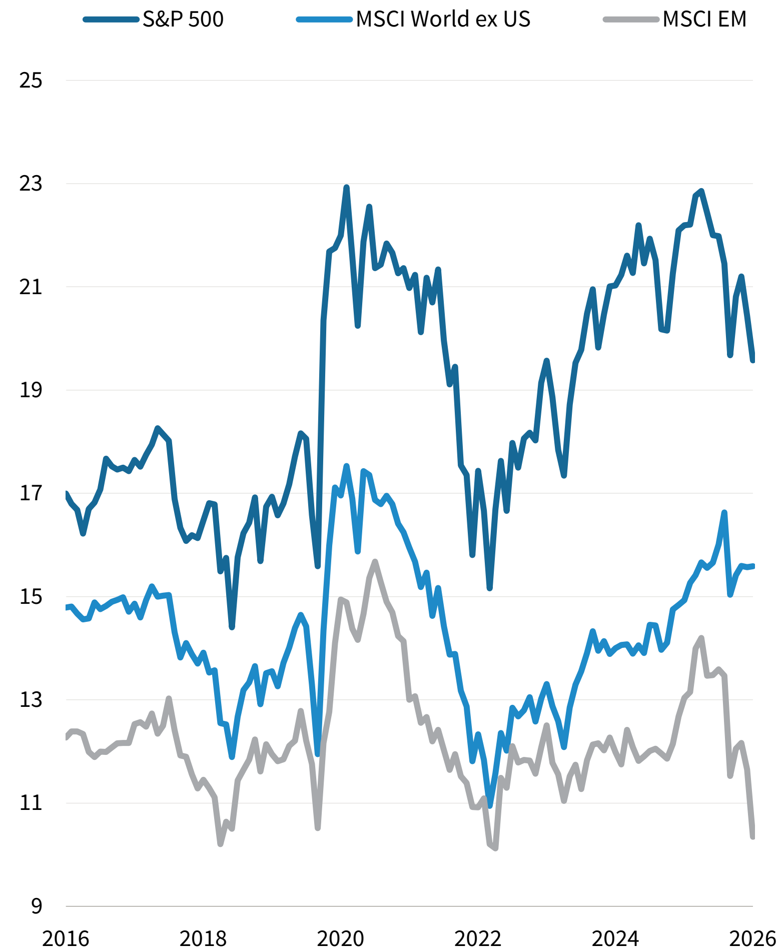
Sources: I/B/E/S, MSCI Inc., Standard & Poor's, FTSE Russell, and Thomson Reuters Datastream. Third-party data provided "as is" without any express or implied warranties.

Valuations are less a concern than index concentration, especially outside US

5 largest stocks' weight
July 31, 2006 – July 31, 2026 • Percent (%)



Forward P/E ratios
July 31, 2016 – July 31, 2026

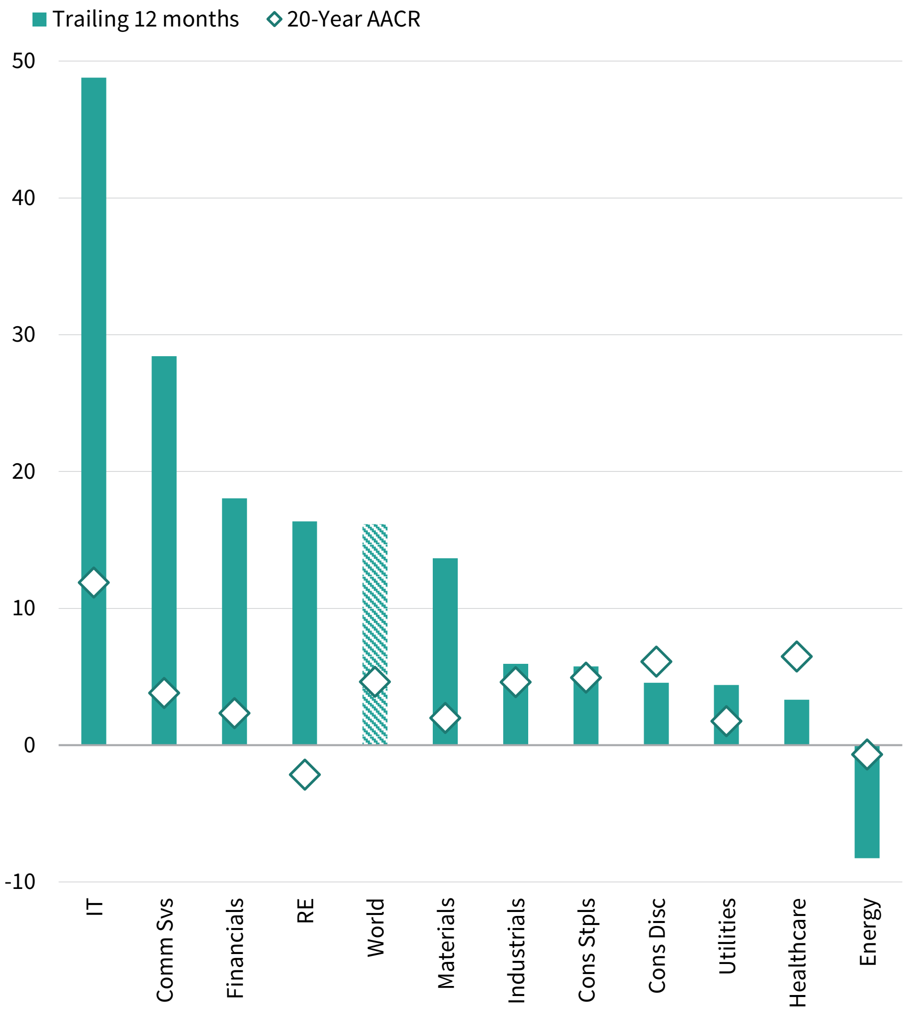


Sources: FactSet Research Systems, I/B/E/S, MSCI Inc., and Standard & Poor's. Third-party data provided "as is" without any express or implied warranties.

Strong earnings growth (and forecasts) support stocks

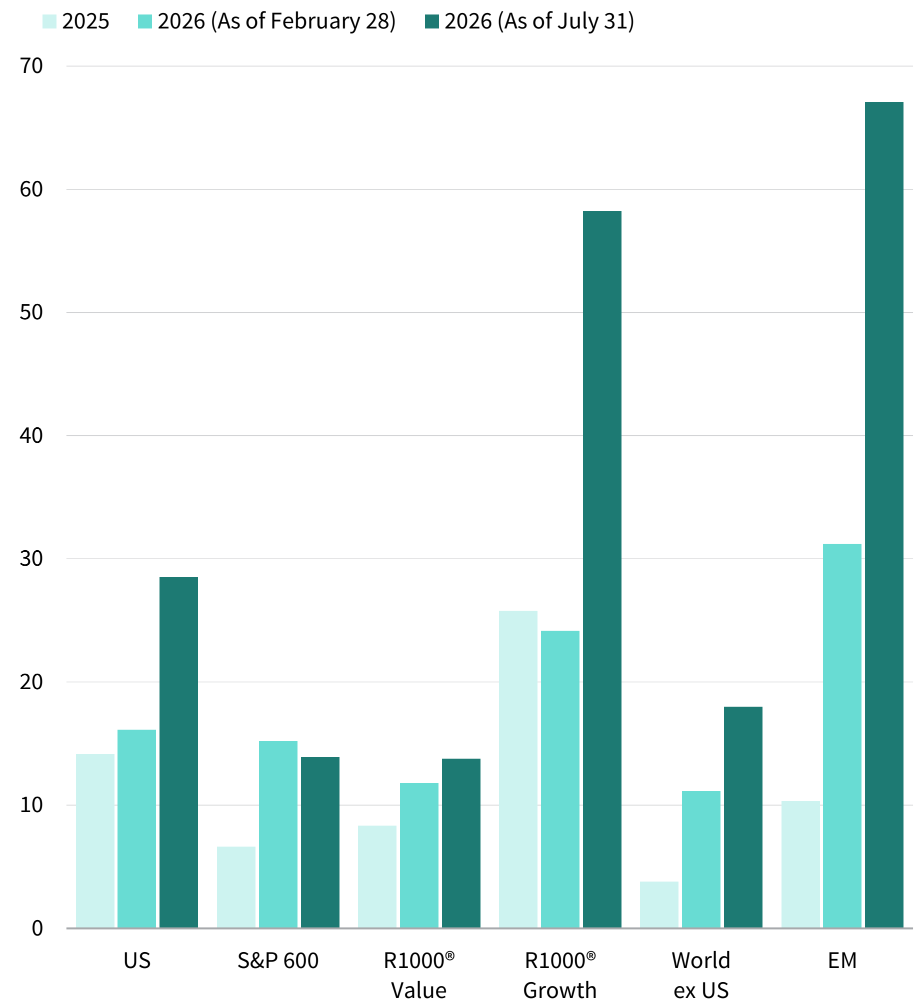
EPS growth across MSCI World Index sectors

As of July 31, 2026 • Percent (%)



Expected EPS growth for select indexes

As of July 31, 2026 • Percent (%)



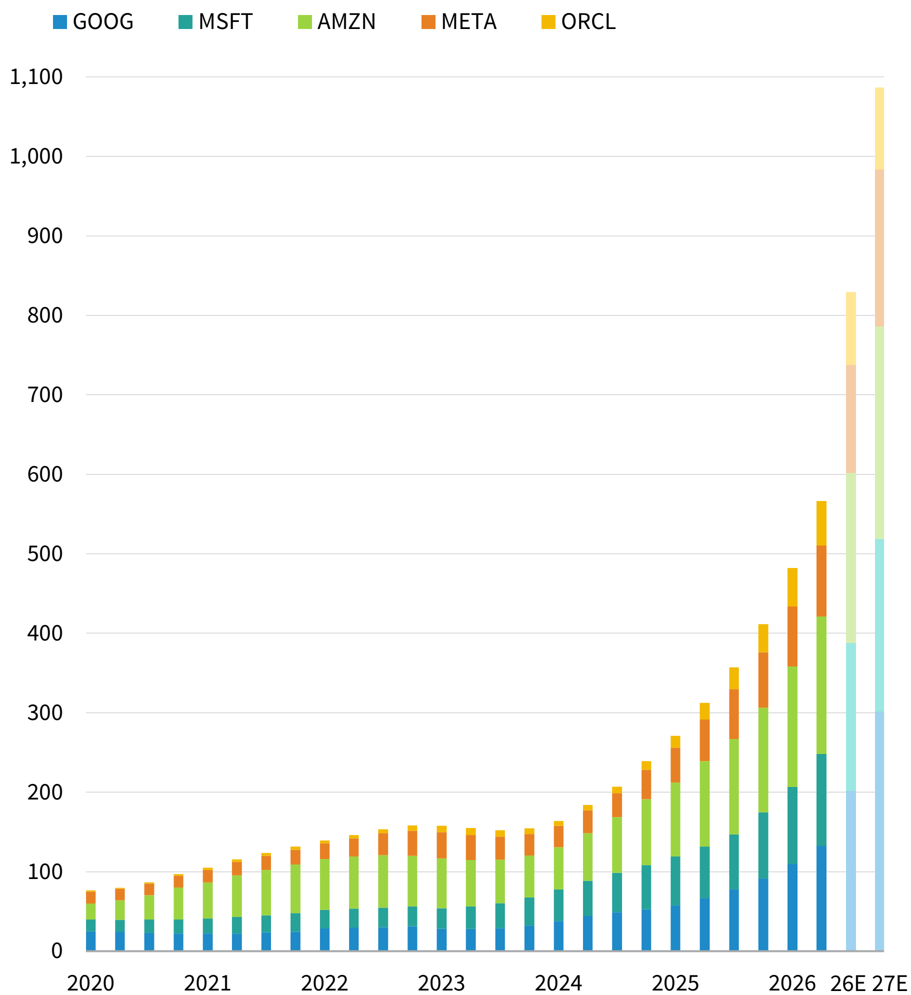
Past performance is not a reliable indicator of future results. All financial investments involve risk. Depending on the type of investment, losses can be unlimited.

Sources: FTSE International Limited, I/B/E/S, MSCI Inc., Standard & Poor's, and Thomson Reuters Datastream. Third-party data provided "as is" without any express or implied warranties.

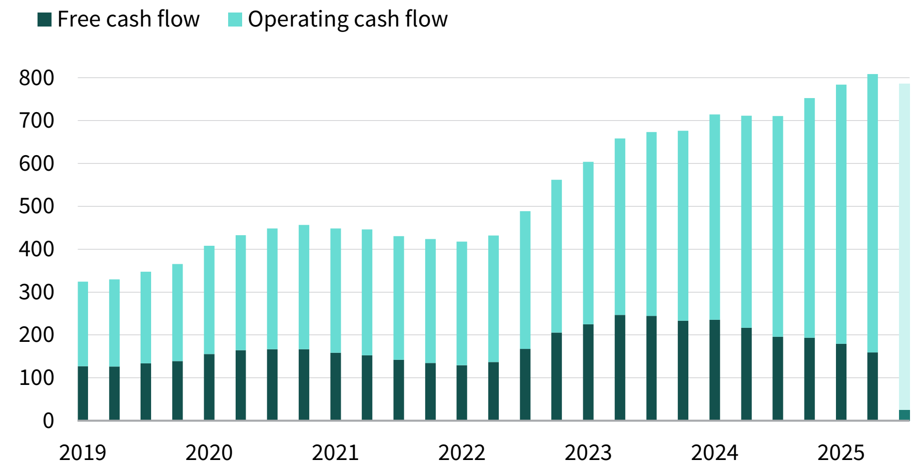
Notes: "Trailing 12 months" reflects year-over-year aggregate index EPS growth through July 31. Real Estate became a standalone sector in September 2016; accordingly, its 20-year AACR is shown for the period from September 30, 2016, through July 31, 2026. US, World ex US, and EM are represented by the MSCI US, MSCI World ex US, and MSCI EM Indexes, respectively.

Soaring AI-related capex has boosted earnings, but is taking a bite out of cash flow

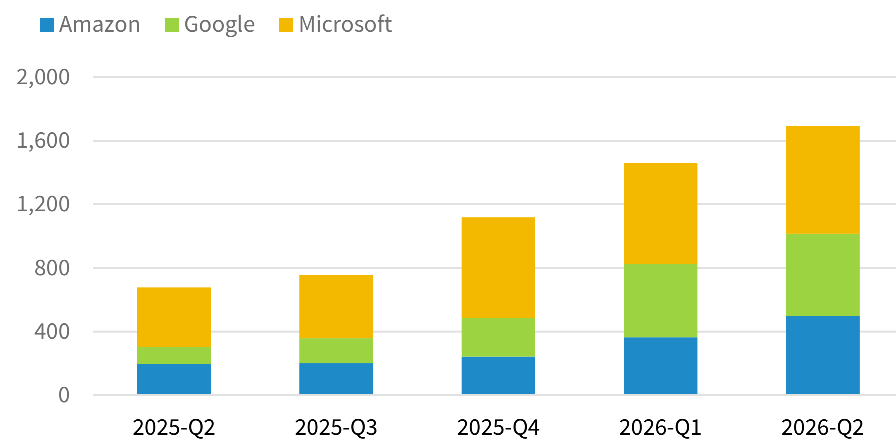
Hyperscaler capex
2020–27E • Trailing 4Q capex • Billions (US$)



Trailing 4Q cash flow
2020–2026E • Trailing 4Q cash flow • Billions (US$)

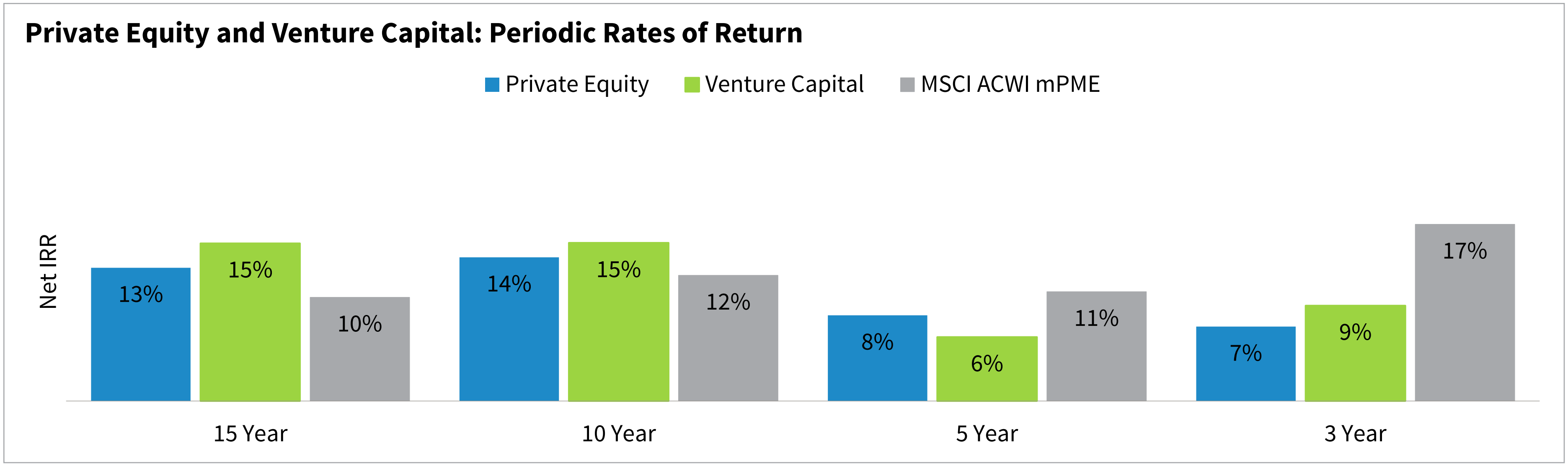


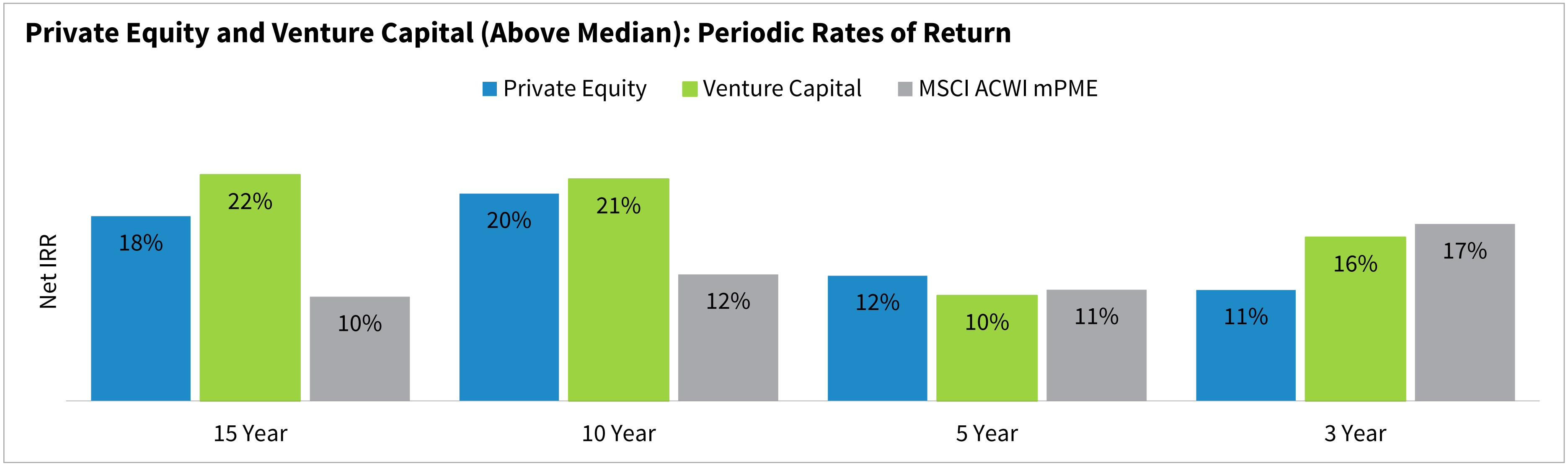
Remaining performance obligations (RPOs) for select companies
Second Quarter 2025 - Second Quarter 2026 • US Dollar (Billions)



Source: Sources: FactSet Research Systems, US Securities and Exchange Commission, MSCI Inc., and Thomson Reuters Datastream. MSCI data are provided "as is" without express or implied warranties.
Notes: Both charts include actual data through Q1 2026. Full-year 2026 CapEx figures are estimated based on company earnings reports and forward-looking guidance. Full-year 2026 free cash flow and operating cash flow figures are estimates provided by Factset. Figures reflect each company's total capital expenditures and cash flow (combined operating and free cash flow) over the trailing four-quarter period.

Private investments have recently struggled to keep up with strong public market returns, but selecting skilled managers offers opportunity for long-term outperformance



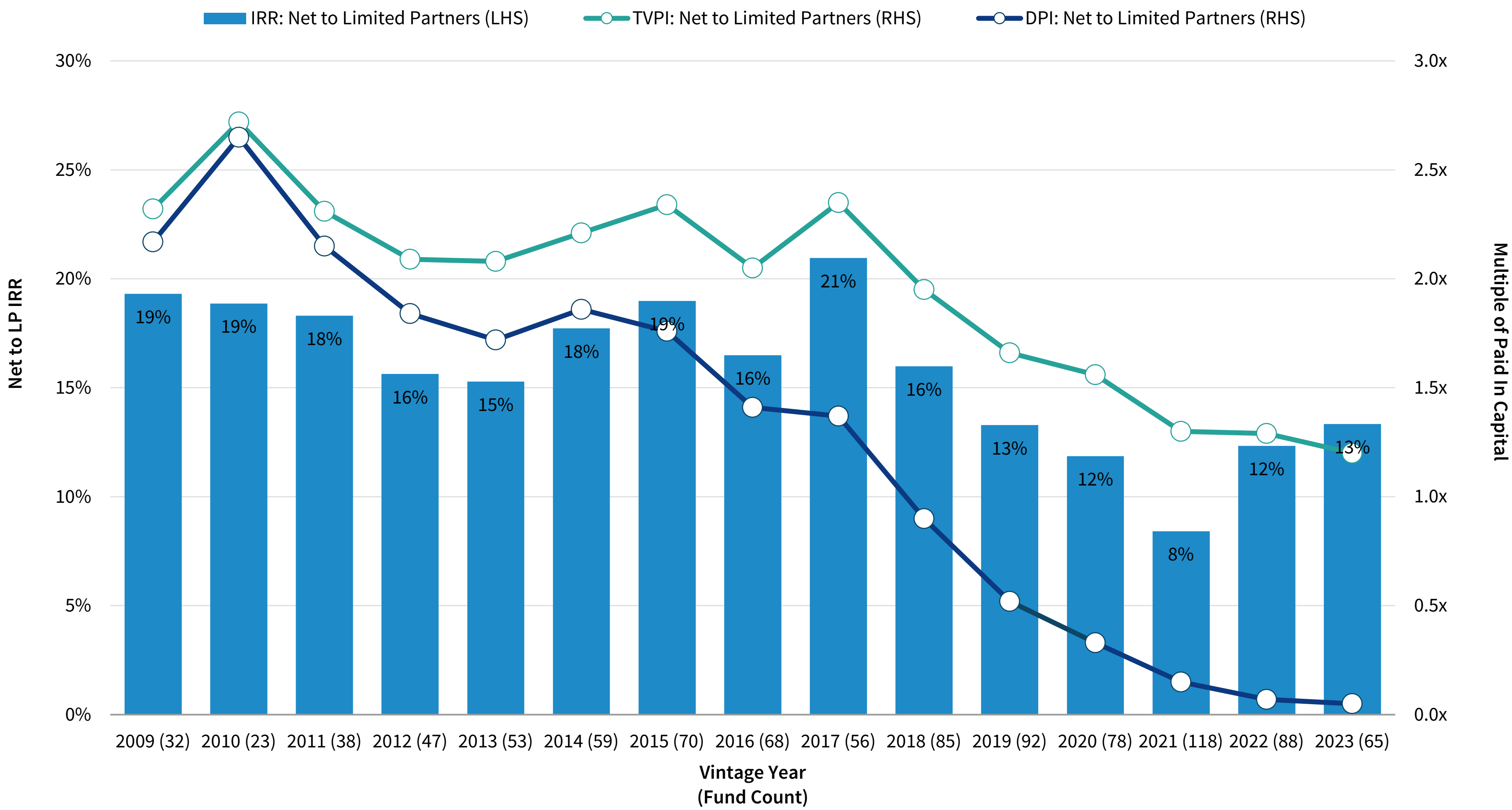


Past performance is not a reliable indicator of future results. All financial investments involve risk. Depending on the type of investment, losses can be unlimited.
Sources: Cambridge Associates LLC, MSCI Inc. MSCI data provided "as is" without any express or implied warranties.
Notes: As of March 31, 2026. Pooled private investment periodic returns are net of fees, expenses and carried interest. Private investment returns in bottom chart include funds in the top two quartiles. Private equity includes buyouts and growth equity. Multi-year annualized returns are generated for time periods ending on the as of date for this analysis.

Private Equity distributions have declined and caused some investors to slow commitment pacing

US Private Equity: Net Pooled IRRs and Fund Multiples by Vintage Year

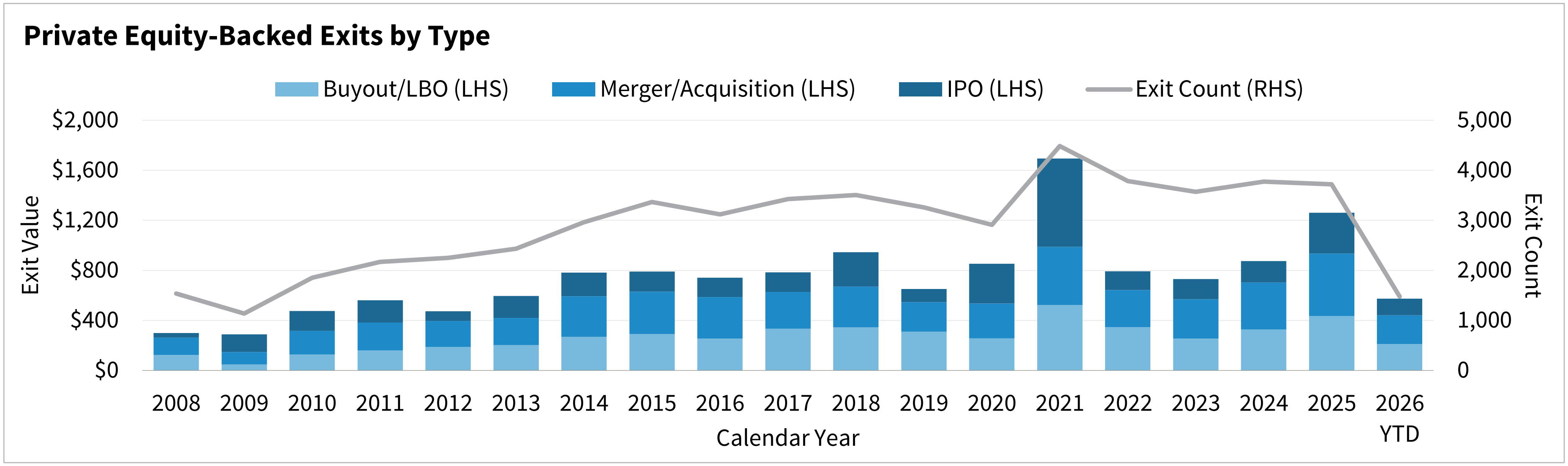
As of March 31, 2026

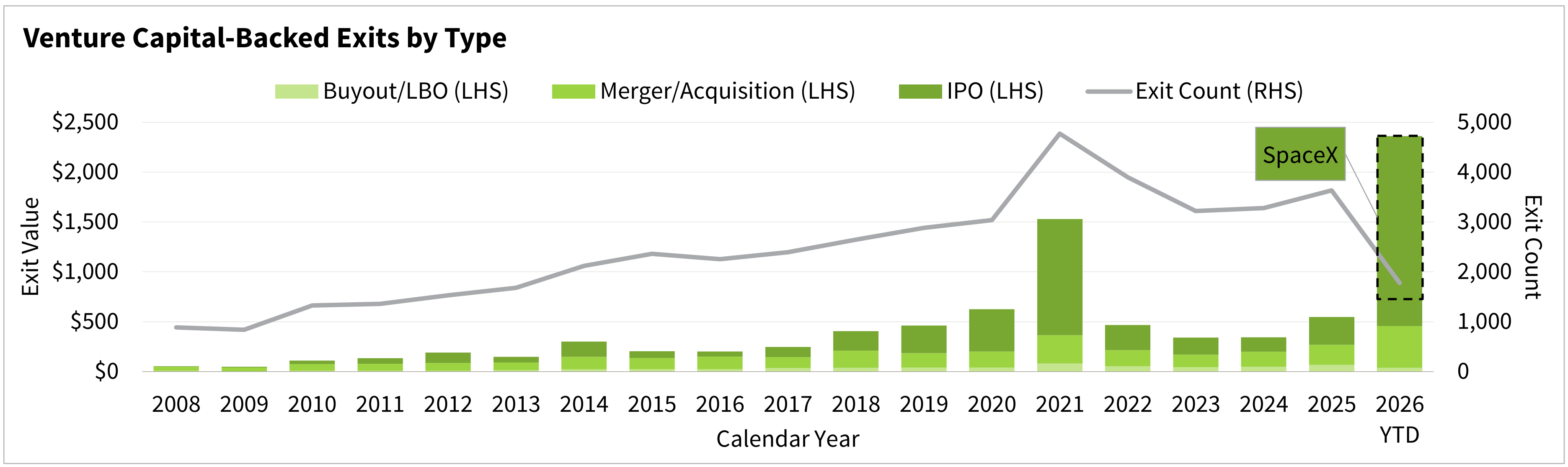


Source: Cambridge Associates LLC.

Notes: Internal rates of return are net of fees, expenses and carried interest. Private equity includes buyout and growth equity funds. Numbers in parentheses represent fund count in each vintage year. Funds less than three years old are considered too young to have produced meaningful returns; those vintages have been excluded from this analysis.

But there are signs that exit activity is coming back to life



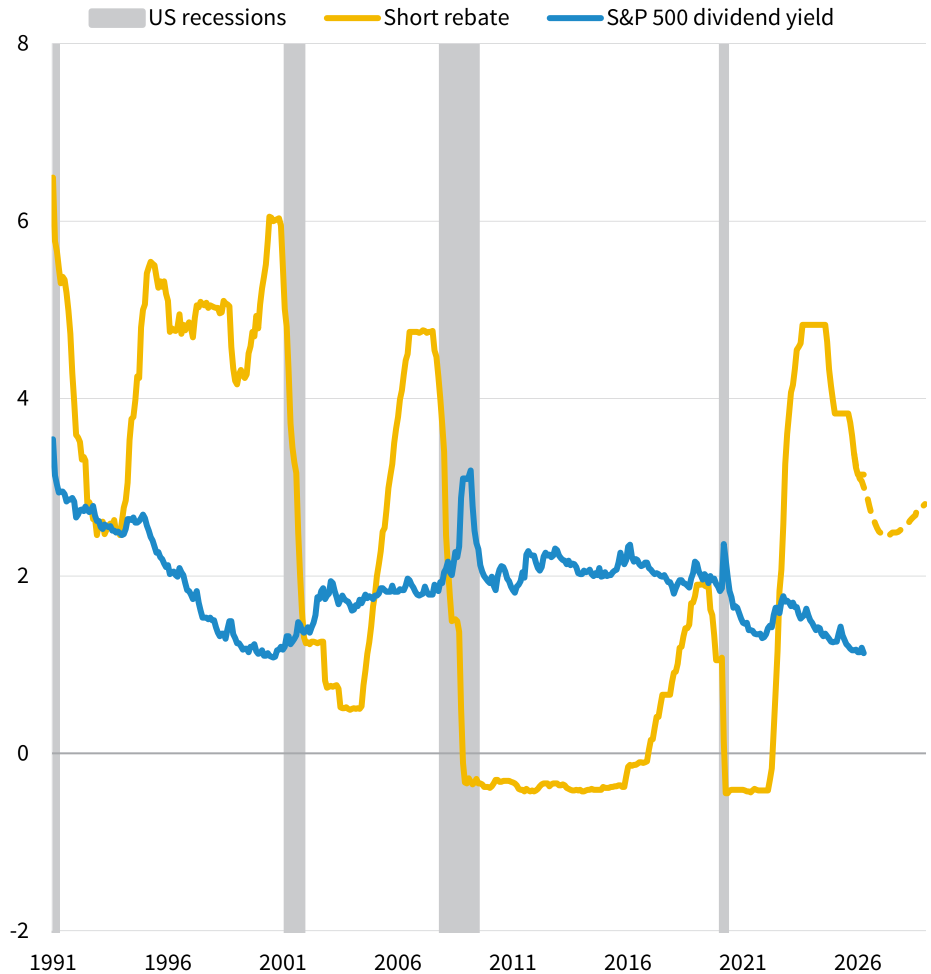


Sources: Cambridge Associates LLC and Pitchbook Data, Inc.
Notes: As of July 17, 2026. M&A is defined as when a company acquires at least a controlling percentage of another company's capital stock. Buyout/LBO is defined as a purchase of at least a controlling percentage of a company's capital stock, on a fully diluted basis, by a private equity firm.

Increased stock/bond correlation increases attractiveness of diversifying hedge funds, especially given higher short rebate

Short rebate

January 1990 to December 2028 • Percentage points



Stock/Bond rolling three-year correlation

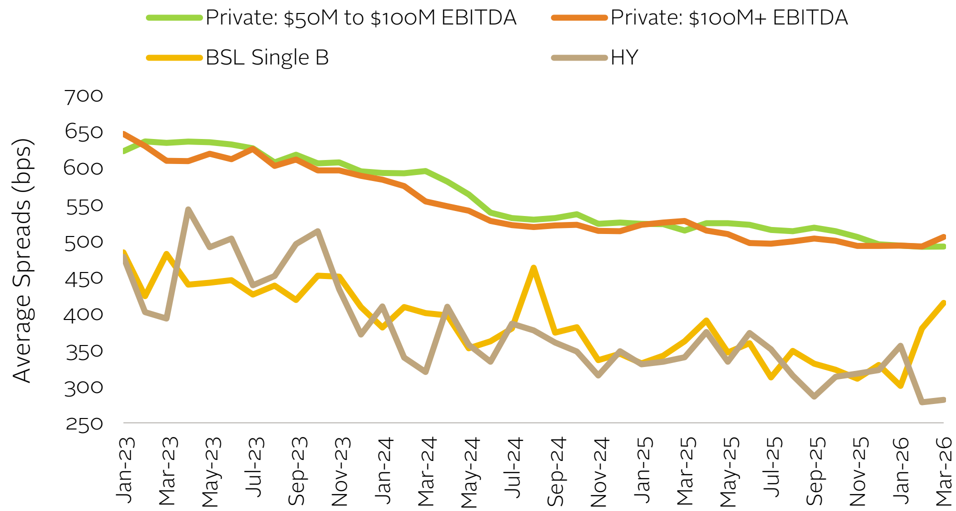
January 1993 to July 2026 • Percentage points

Source(s): CBOT, Federal Reserve, Thomson Reuters, Cambridge Associates, MSCI Inc, Bloomberg Index Services Limited and Thomson Reuters Datastream
Note(s): The short rebate is calculated as the effective fed funds rate less a 50-bp spread. Short rebate and dividend yield figures represent rolling monthly averages. The dashed line indicates short rebate expectations derived from Fed funds futures.For correlations, equities are represented by the USD total return series of the MSCI ACWI index. Global Aggregate Bonds are represented by the USD hedged total return of the Bloomberg Global Aggregate. Global Treasury Bonds are represented by the USD hedged total return of the Bloomberg Global Treasury Bond Index.

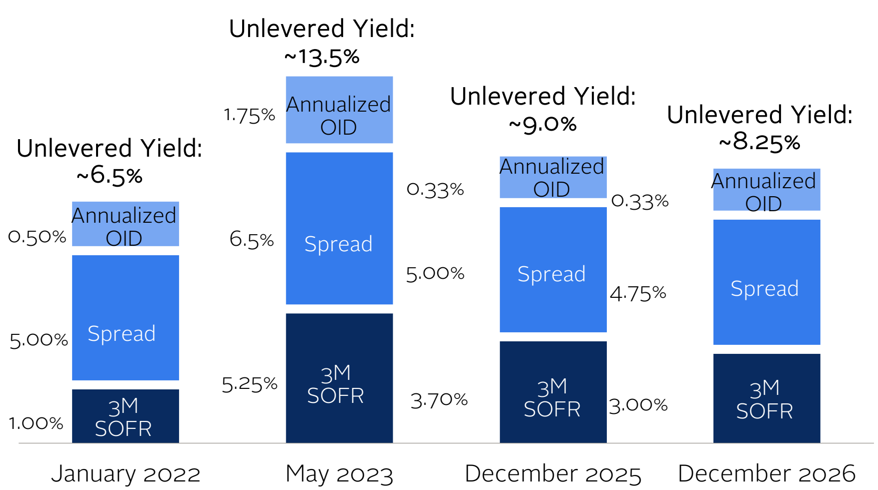
Private Credit Yields remain at a premium to liquid options and history while leverage is contained

- Base rates and credit spreads have compressed, but yields on loans still above relative historical levels and liquid alternatives
- While LBO leverage is reduced from pre-rate shock environment, aggressive EBITDA add-backs in recent years understate leverage while terms like PIK optionality are proliferating in certain segments

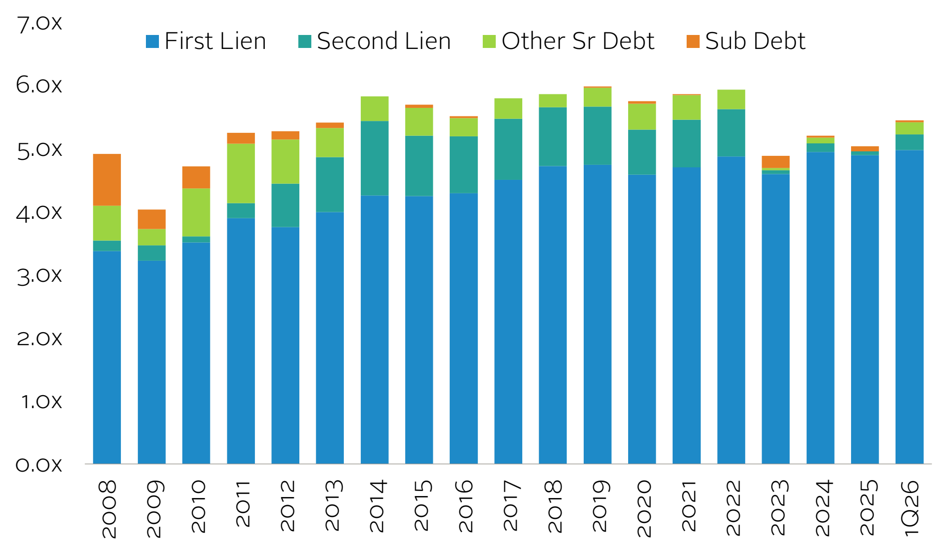
PRIVATE VS PUBLIC YIELDS STILL ATTRACTIVE[2]



YIELDS ABOVE PRE-"RATE-SHOCK" ENVIRONMENT[1]



LBO LEVERAGE LOWER THOUGH UNDERSTATED[3]

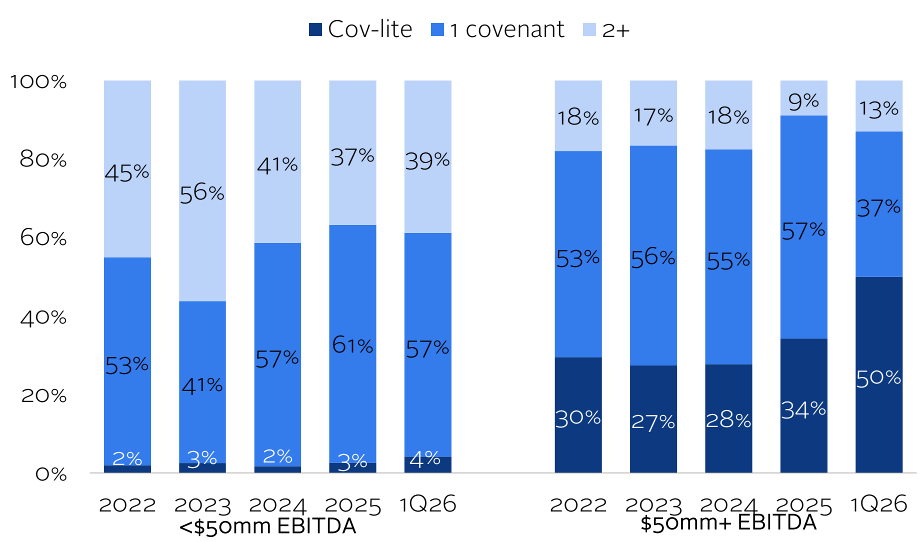


Sources:
1. For illustrative purposes only. December 2026 3M SOFR based on the forward curve.
2. KBRA DLD, Pitchbook as of March 31, 2026
3. Pitchbook | LCD as of March 31, 2026

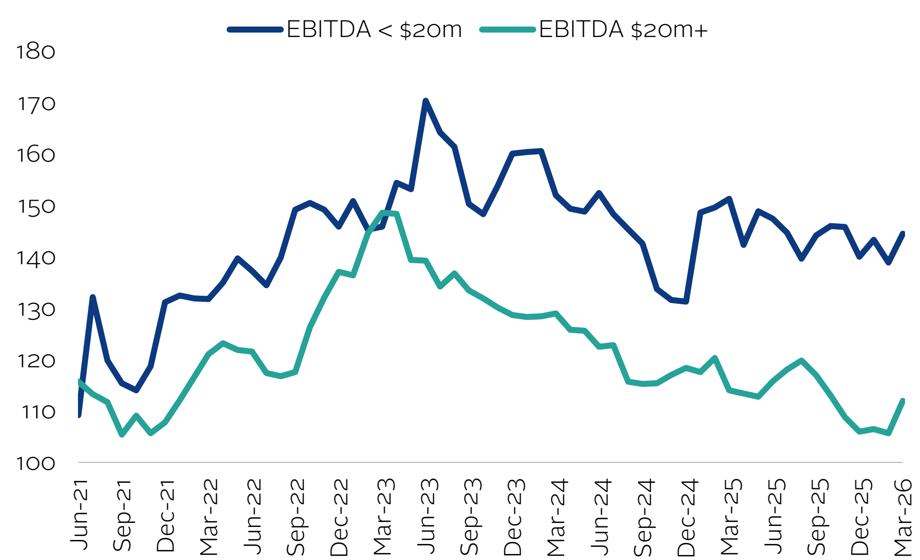
Direct lending is not monolithic: borrower-friendly trends are less acute away from "flow" end of market

- Upper-middle-market issuers are the main drivers of covenant-lite terms, though structures remain tighter than public markets
  - In the BSL market, ~90% of deals are cov-lite[1], a higher proportion than in the private market
  - Financial maintenance covenants in middle market and above (borrowers > $50 million in EBITDA) are often reduced to a singular leverage ratio; whereas, in the lower middle market and specialty lending maintenance covenants remain more robust
- Spread per turn of leverage premium persists in the lower middle market and may be wider than it appears as EBITDA add-backs are less aggressive in that segment of the market
- Specialty lenders who focus on borrowers with an element of complexity are able to achieve better lender protections, oftentimes more than compensating for higher risk borrower profiles

FINANCIAL MAINTENANCE COVENANTS PER DEAL (%)[2]



NORTH AMERICAN DIRECT LENDING SPREAD PER TURN OF LEVERAGE (BPS)[3]

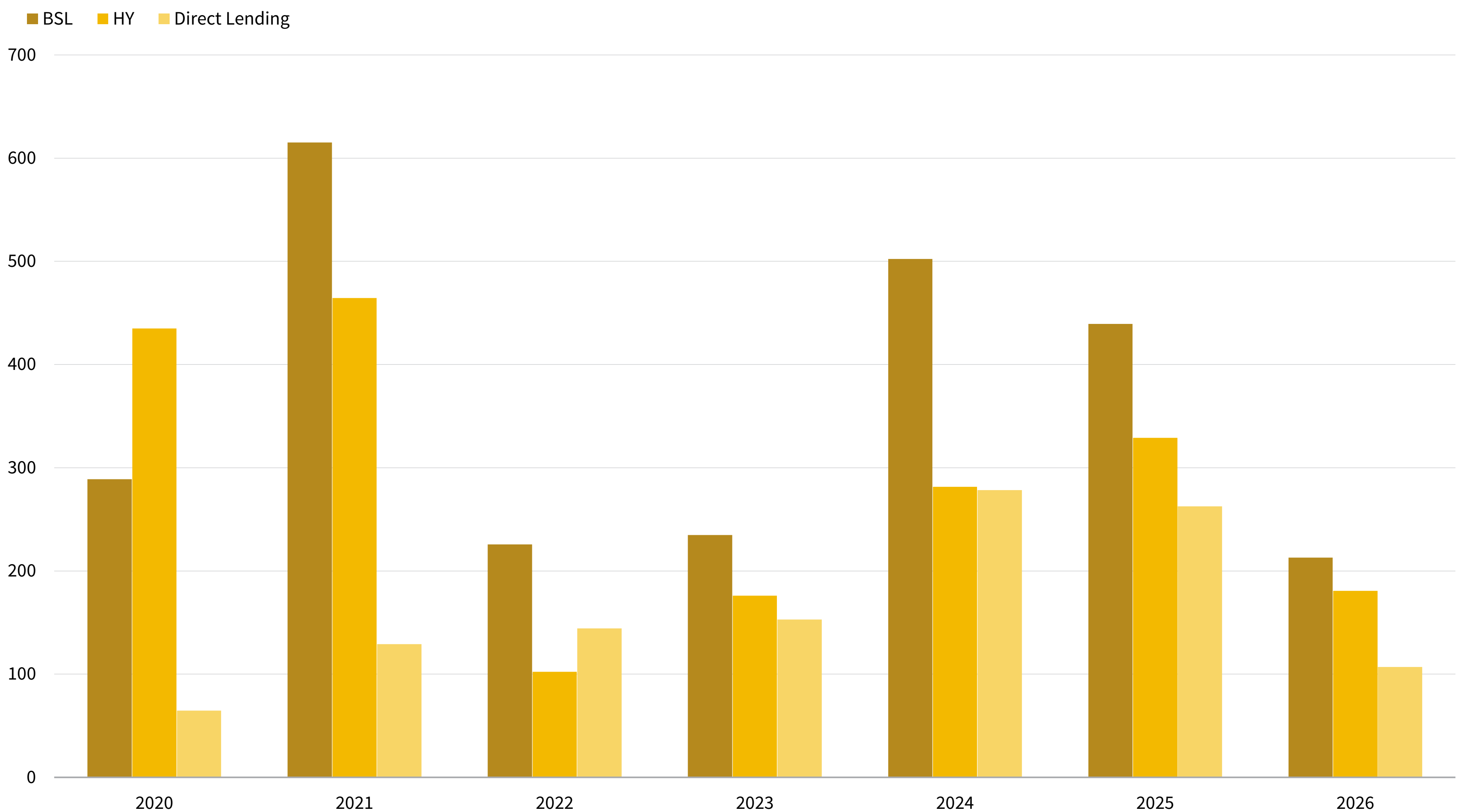


Sources:
1. Proskauer Rose LLP
2. KBRA as of March 31, 2026
3. KBRA as of March 31, 2026

Reduced private credit volumes have allowed investors to demand better terms

US leveraged loan, high yield, and direct lending volumes

2019–26 • Billions ($)



Sources: PitchBook | LCD, and Standard & Poor's. Third-party data are provided "as is" without any express or implied warranties.
Note: Data for 2026 are through June 30.

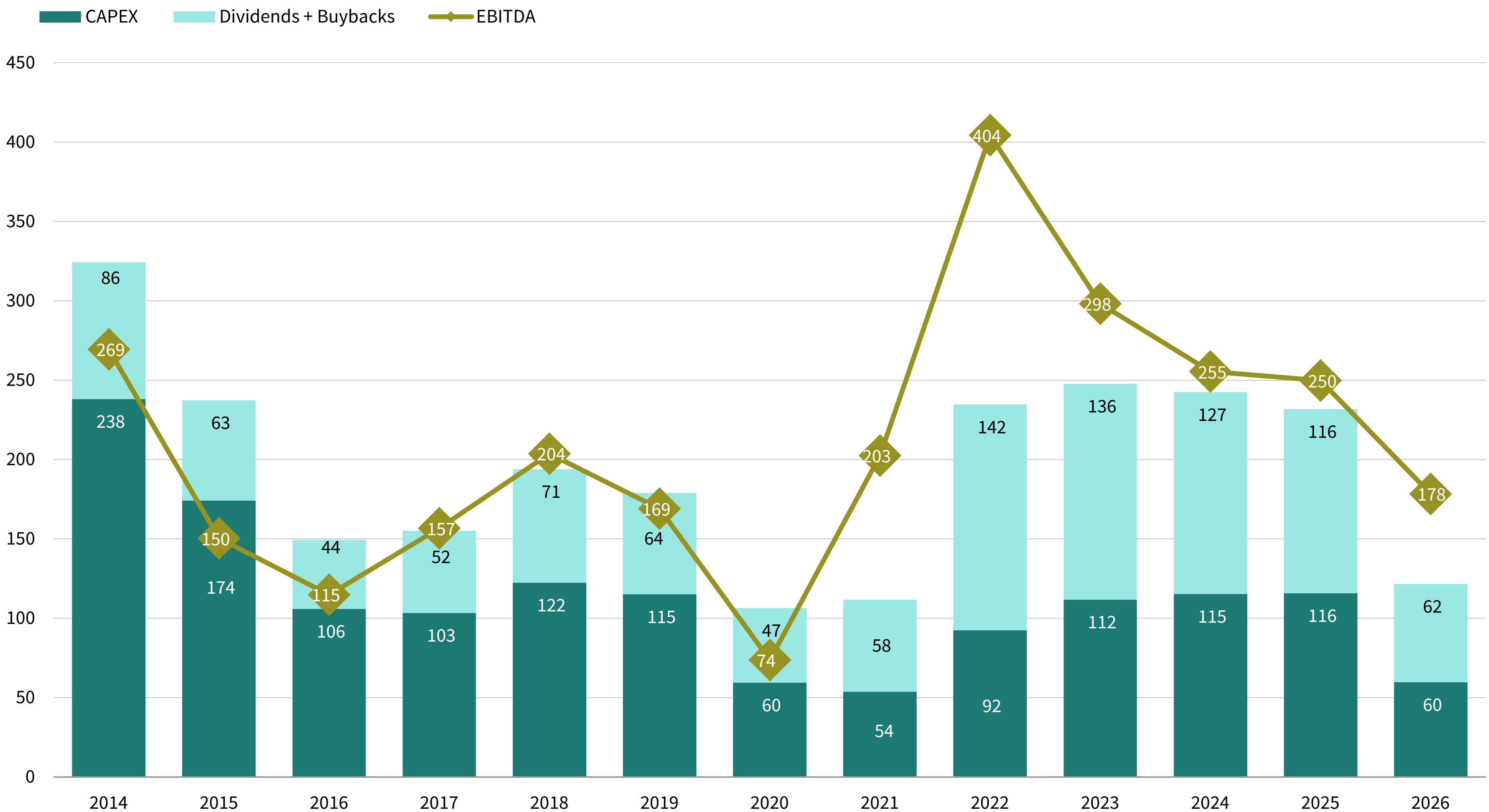
Takeaway: concerns are concentrated in U.S. UMM direct lending; recent headlines identify real late-cycle pressures, but strategy focus, geographic focus, manager selection, and diversification remain the primary determinants of outcomes

- **Recent headlines:** bankruptcies of Tricolor and First Brands involved fraud and are evidence of private credit excesses
  - Our View: Neither was private credit–led—both were funded principally by banks and the liquid credit markets (warehouse lines, ABS, broadly syndicated loans)—but they do reflect late-cycle behavior and a willingness to forgo best practices
- **Retail capital:** capital inflows from retail channel are driving a borrower-friendly market and an asset-liability mismatch
  - Our View: Retail growth has compressed yields and weakened lender protections; 5% quarterly gates and 3-4 year weighted average loan lives should support orderly liquidity, but sub-scale BDCs could face portfolio sales at steep discounts if sentiment sours. We prefer managers less dependent on retail flows
- **Software exposure:** heavy exposure to software and tech-enabled services will drive AI-related losses in DL portfolios
  - Our View: The exposure is real and has been a major driver of recent deal flow; we avoid managers participating in ARR loans and hyper-competitive, highly levered processes, and dilute single-industry risk through geographic, borrower segment, and specialty lending diversification
- **Underwriting and protections:** weaker documentation and pressure to deploy will cause elevated losses this cycle
  - Our View: Direct lending is not insulated from a credit cycle and risk is at times has been underpriced, but lender protections remain stronger than liquid markets, supporting higher recoveries; expect wide dispersion between managers with disciplined underwriting and workout capability and those without
- **Systemic risk:** private credit losses could destabilize the financial system and banking sector in a downturn
  - Our View: Systemic risk is low—direct lending funds are levered 1x to 2x against long-term capital, versus 10x levered, deposit-funded banks, and carry no government guarantees; bank exposure is largely senior NAV loans, so insurers, not banks, warrant the closer watch

US energy sector has maintained cap ex discipline as earnings have oscillated with oil prices

MSCI US energy capital expenditures, dividends + buybacks, and EBITDA over time

2014–26 • US Dollar (Billions)



Sources: FactSet Research Systems and MSCI Inc. MSCI data provided "as is" without any express or implied warranties.
Notes: Notes: Data are annual. 2026 data are as of June 30.

Cambridge Associates is a global group of companies that provide investment management, investment advisory, research and performance reporting services. For the purposes of this document 'us', 'the Firm', 'our', 'we', 'CA', 'Cambridge Associates', and similar terms refer collectively to the list of companies below. Similarly, unless otherwise stated the figures provided are the combined total for the list of companies below:

— **Cambridge Associates LLC**
Massachusetts Limited Liability Company. **Regulatory Authority:** Registered and regulated by the US Securities and Exchange Commission, the US Commodity Futures Trading Commission, and the National Futures Association. US Securities and Exchange Commission file number 801-14255.

— **Cambridge Associates Limited**
Limited Company in England and Wales, company number: No. 06135829. **Regulatory Authority:** Authorised and regulated by the Financial Conduct Authority (FCA). FCA Number 474331.

— **Cambridge Associates GmbH**
German Limited Liability Company. **Regulatory Authority:** Registered and regulated by Bundesanstalt Für Finanzdienstleistungsaufsicht (Bafin). Bafin Identification Number 10155510.

— **Cambridge Associates Investment Consultancy (Beijing) Ltd**
People's Republic of China Limited Liability Company. **Regulatory Authority:** Beijing Administration for Industry and Commerce. Registration No. 110000450174972.

— **Cambridge Associates Hong Kong Private Limited**
Hong Kong Private Limited Company. **Regulatory Authority:** Licensed with the Securities and Futures Commission of Hong Kong. CE Reference BRV471.

— **Cambridge Associates Asia Pte Ltd**
Singapore Corporation. **Regulatory Authority:** Licensed and regulated by the Monetary Authority of Singapore. Registration No. 200101063G.

— **Cambridge Associates Limited, LLC**
Massachusetts Limited Liability Company. **Regulatory Authority:** Registered with the US Securities and Exchange Commission, subject to oversight by the Australian Securities and Investment Commission, and registered in several Canadian provinces. ARBN (Australian Registered Body Number) 109 366 654. US Securities and Exchange Commission file number 801-45277.

— **Cambridge Associates AG**
Swiss Limited Company. **Regulatory Authority:** Authorized and supervised by the Swiss Financial Market Supervisory Authority (FINMA). Registration Number: CHE-115.905.353.

— **Cambridge Associates (DIFC) Limited**
Incorporated as a Private Company. **Regulatory Authority:** Regulated by the Dubai Financial Services Authority. DFSA License Number: F011237.

This report is provided for informational purposes only. The information does not represent investment advice or recommendations, nor does it constitute an offer to sell or a solicitation of an offer to buy any securities. Any references to specific investments are for illustrative purposes only. The information herein does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Information in this report or on which the information is based may be based on publicly available data. CA considers such data reliable but does not represent it as accurate, complete, or independently verified, and it should not be relied on as such. Nothing contained in this report should be construed as the provision of tax, accounting, or legal advice.

Past performance is not a reliable indicator of future results. All financial investments involve risk. Depending on the type of investment, losses can be unlimited.

Any information or opinions provided in this report are as of the date of the report, and CA is under no obligation to update the information or communicate that any updates have been made. Information contained herein may have been provided by third parties, including investment firms providing information on returns and assets under management, and may not have been independently verified.

MAINEPERS

BOARD OF TRUSTEES INVESTMENTS MEMORANDUM

TO: BOARD MEMBERS

FROM: JAMES BENNETT, CHIEF INVESTMENT OFFICER

SUBJECT: **PROXY VOTING ANNUAL REVIEW – FY 2026**

DATE: SEPTEMBER 2, 2026

Board Policy 2.7 – Engagement notes that the System will vote its proxies in the best interests of its members as pension beneficiaries. The Policy directs the Investment Team to develop and maintain proxy voting guidelines, and to engage a proxy agent for the purpose of voting its proxies. Glass Lewis serves as the MainePERS proxy agent for those shares held directly by the System, and places individual votes for each item according to the System's proxy guidelines.

The below items follow this memo and will be discussed at the meeting:

- FY26 Proxy Voting Summary Report (Russell 1000 Holdings)

POLICY REFERENCE

Board Policy 2.1 – Investment Policy Statement

Board Policy 2.7 – Engagement

Board Policy 4.5 – Board/Staff Relations

Board Policy 4.6 – Communication and Support to the Board

RECOMMENDATION

No changes to the System's voting policy or practices are being recommended at this time.

FY2026 PROXY VOTING AT MAINEPERS

As a reminder, the System's target allocation to Public Equity is 27.5%, representing approximately $6.6 billion at fiscal year-end 2026. This allocation is managed passively relative to applicable strategy benchmarks. Direct index exposure, which comprises the vast majority of Public Equity assets, is managed by BlackRock. The remaining exposure is obtained through the System's Liquidity Pool, managed by Parametric, which utilizes derivative contracts rather than direct shareholdings and, therefore, does not involve proxy voting. The table below summarizes the Public Equity allocation, investment structures, and proxy voting practices as of June 30, 2026.

	Public Equity Portfolio				Proxy	
	Weight	Value ($M)	# of Companies	Holding Structure	Policy	Voting Agent
Domestic Equity						
Russell 1000	59%	$3,933	≈1,000	Direct	MainePERS	Glass Lewis
Russell 2000	3%	$176	≈2,000	ETF	BlackRock	BlackRock
Liquidity Pool	2%	$149	N/A	Futures	N/A	N/A
International Equity						
ACWI ex US IMI	36%	$2,390	≈6,000	Commingled	Glass Lewis	BlackRock
Liquidity Pool	0%	$0	N/A	Futures	N/A	N/A
	100%	$6,648	≈9,000			

Proxies for MainePERS' direct shareholdings in the Russell 1000, constituting a majority of the System's equity holdings, are voted by Glass Lewis in accordance with the System's guidelines. In addition, as indicated above, proxies for shares held in the Russell 2000 ETF are voted by Blackrock in accordance with BlackRock's proxy voting policy, and the ACWI ex-US commingled vehicle's holdings are voted by BlackRock using Glass Lewis' policy.

As a reminder, in November 2024 the Investment Team reviewed with Trustees the various options recently available for the System's commingled equity fund investments, including BlackRock's "Voting Choice" program. At that time, Trustees affirmed shifting proxy voting guidance for eligible commingled holdings (e.g., ACWI ex US IMI) from the BlackRock Benchmark Policy to the Glass Lewis Benchmark Policy, which more closely aligns with MainePERS' custom policy while avoiding the significantly higher costs and operational complexity associated with full direct voting.

RUSSELL 1000 HOLDINGS (DIRECT HOLDINGS)

Public company annual meetings typically feature a number of items to be voted on by shareholders, such as Board of Director nominations, ratification of the company's auditor, and various proposals put forward by shareholders. Glass Lewis serves as MainePERS' proxy agent for the System's direct holdings of companies in the Russell 1000 index, and places individual votes for each item according to the System's proxy guidelines.

As shown in the attached report, the System cast votes on over 11,000 individual ballot items across nearly 1,000 meetings during FY2026. The vast majority of these items (96%) were management proposals (e.g., Board nominations, auditor ratification, and compensation related), while over 400 votes were cast on shareholder proposals.

Each ballot proposal is accompanied by management's recommendation with respect to whether or not to support the proposal. In the case of management proposals, the System's proxy guidelines generally align with management's recommendations, and we voted in line with management in 92% of cases. However, in the case of shareholder proposals, our voting departs from management's recommendations in a majority (70%) of cases.

ACWI EX US HOLDINGS (COMMINGLED FUND)

The System cast votes on over 33,000 individual ballot items across over 2,500 meetings during FY2026. The vast majority of these items (99%) were management proposals (e.g., Board nominations, auditor ratification, and compensation related), while just over 300 votes were cast on shareholder proposals.

Each ballot proposal is accompanied by management's recommendation with respect to whether or not to support the proposal. In the case of management proposals, the System's proxy votes utilizing the Glass Lewis Benchmark Policy generally aligned with management's recommendations, and we voted in line with management in 92% of cases. For shareholder proposals, we voted with management's recommendations in 86% of cases.

RUSSELL 2000 HOLDINGS (ETF)

As noted above, the System's investments in Russell 2000 are held in an Exchange Traded Fund. Proxies for this investment are voted by BlackRock, guided by BlackRock's Investment Stewardship principles, as they do not qualify for the "Voting Choice" program at this time. At a high level, BlackRock's policy is in line with the System's proxy guidelines and objectives. For example, it has the similar goals of advancing corporate governance practices that are aligned with long term shareholder value creation, seeking to align management compensation with financial performance, and supporting disclosure of sustainability factors.

ABSTENTIONS

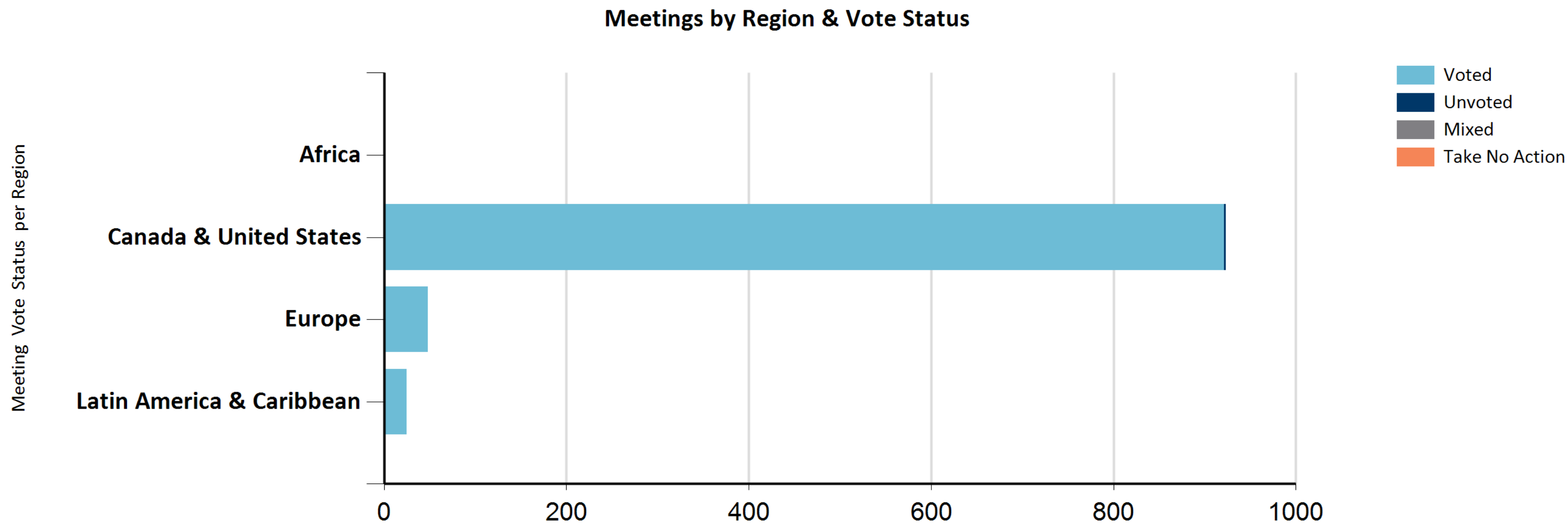
In November 2024, the Investment Team informed Trustees that it would update internal Investments Practice 21.0 – Engagement – Proxy Voting Implementation regarding abstentions. Specifically, rather than abstaining from proposals that are expected to have no impact on shareholder financial value, the update directs that in these cases proxies be voted to support proposals related to efforts to combat climate change. In FY2026, out of 59 potential abstentions, there were no votes where this practice update applied.

SHAREHOLDER ENGAGEMENT

MainePERS will selectively maintain direct engagement with public companies on matters that encourage the success and long-term growth of its portfolio. Direct engagement is conducted through written communication to companies, urging the Board of Directors to reconsider their stance on proposed ballot items. For FY2026, the Investment Team wrote seventeen such letters. All seventeen supported Shareholder Proposals regarding an "Independent Board Chair" in order to provide objective oversight and unique value adding insights.

Meeting Statistics Report

From 7/1/2025 to 6/30/2026

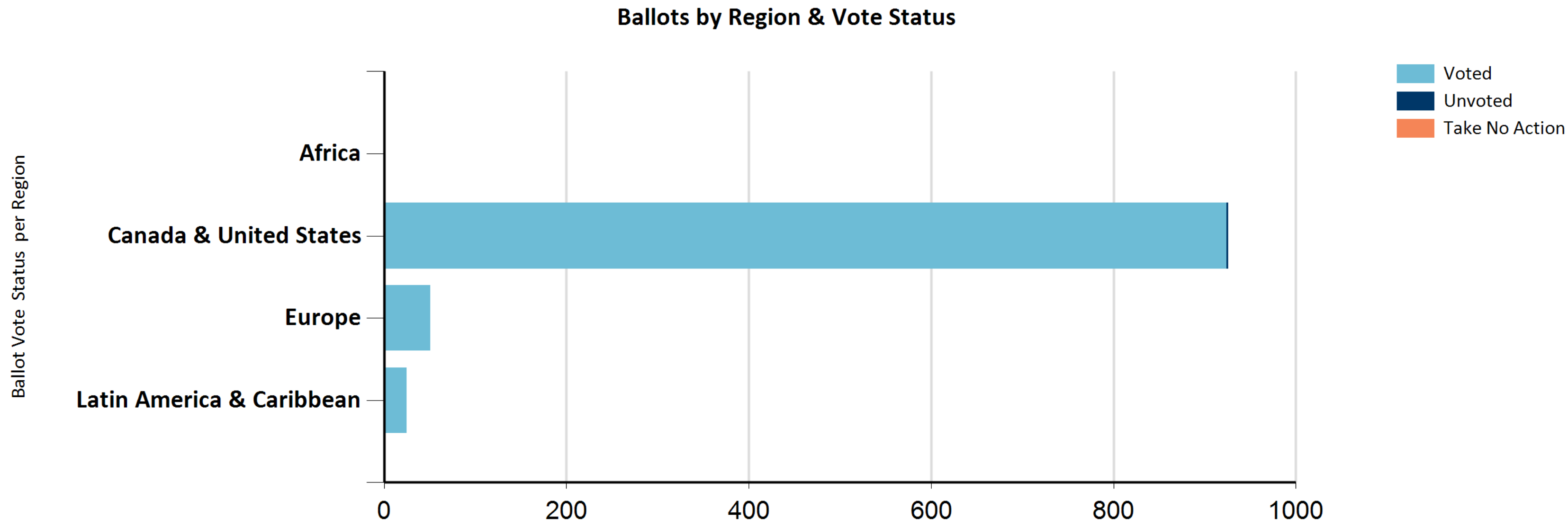


Region	Country Of Origin	Voted	Unvoted	Mixed	Take No Action	Total
Total for all Regions		**995**	**2**	**0**	**0**	**997**
Africa		**1**	**0**	**0**	**0**	**1**
	Liberia	1	0	0	0	1
Canada & United States		**921**	**2**	**0**	**0**	**923**
	Canada	4	0	0	0	4
	United States	917	2	0	0	919
Europe		**48**	**0**	**0**	**0**	**48**
	Ireland	20	0	0	0	20
	Jersey	6	0	0	0	6
	Luxembourg	5	0	0	0	5
	Netherlands	4	0	0	0	4
	Switzerland	4	0	0	0	4
	United Kingdom	9	0	0	0	9
Latin America & Caribbean		**25**	**0**	**0**	**0**	**25**
	Bermuda	13	0	0	0	13

	Cayman Islands	6	0	0	0	6
	Curaçao	2	0	0	0	2
	Panama	2	0	0	0	2
	Puerto Rico	1	0	0	0	1
	Virgin Islands (British)	1	0	0	0	1

Ballot Statistics Report

From 7/1/2025 to 6/30/2026



Region	Country Of Origin	Voted	Unvoted	Take No Action	Total
Total for all Regions		**1001**	**2**	**0**	**1003**
Africa		**1**	**0**	**0**	**1**
	Liberia	1	0	0	1
Canada & United States		**924**	**2**	**0**	**926**
	Canada	4	0	0	4
	United States	920	2	0	922
Europe		**51**	**0**	**0**	**51**
	Ireland	21	0	0	21
	Jersey	6	0	0	6
	Luxembourg	5	0	0	5
	Netherlands	4	0	0	4
	Switzerland	4	0	0	4
	United Kingdom	11	0	0	11
Latin America & Caribbean		**25**	**0**	**0**	**25**
	Bermuda	13	0	0	13

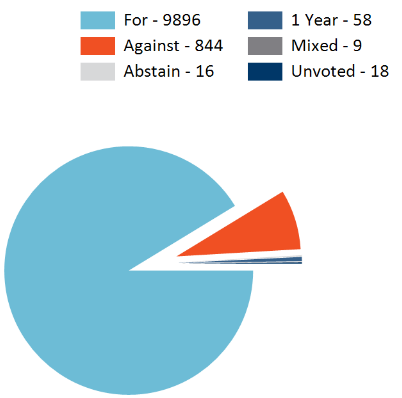
	Cayman Islands	6	0	0	6
	Curaçao	2	0	0	2
	Panama	2	0	0	2
	Puerto Rico	1	0	0	1
	Virgin Islands (British)	1	0	0	1

Proposal Statistics Report

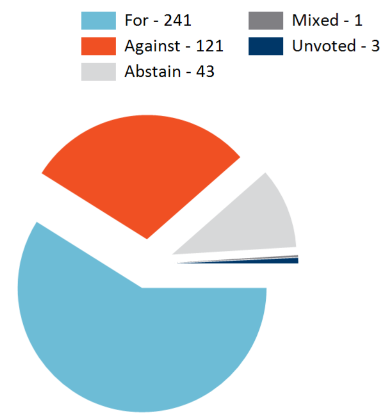
From 7/1/2025 to 6/30/2026

	Mgmt Proposals	SHP Proposals	Total Proposals
For	9896	241	**10137**
Against	844	121	**965**
Abstain	16	43	**59**
1 Year	58	0	**58**
2 Years	0	0	**0**
3 Years	0	0	**0**
Mixed	9	1	**10**
Take No Action	0	0	**0**
Unvoted	18	3	**21**
Totals	**10841**	**409**	**11250**

Management Proposals – Votes Cast

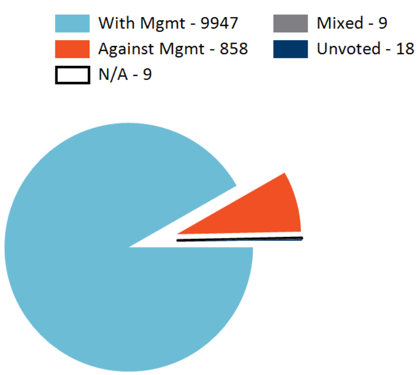


Shareholder Proposals – Votes Cast

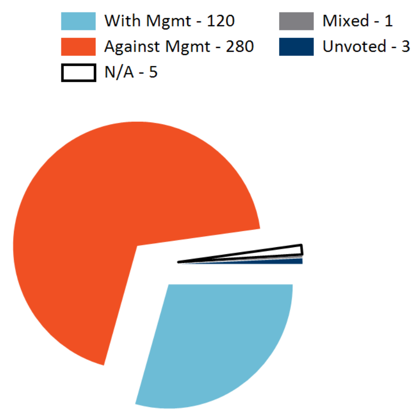


	Mgmt Proposals	SHP Proposals	Total Proposals
With Management	9947	120	**10067**
Against Management	858	280	**1138**
N/A	9	5	**14**
Mixed	9	1	**10**
Take No Action	0	0	**0**
Unvoted	18	3	**21**
Totals	**10841**	**409**	**11250**

Management Proposals – Votes versus Management



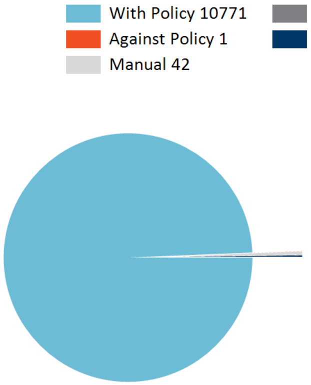
Shareholder Proposals – Votes versus Management



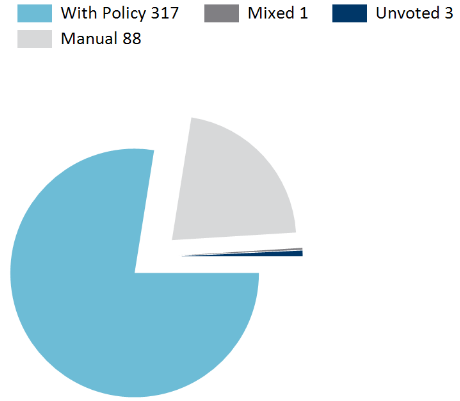
	Mgmt Proposals	SHP Proposals	Total Proposals
With Policy	10771	317	**11088**
Against Policy	1	0	**1**
Manual	42	88	**130**
N/A	0	0	**0**
Mixed	9	1	**10**
Take No Action	0	0	**0**
Unvoted	18	3	**21**

Totals	**10841**	**409**	**11250**

Management Proposals - Votes versus Policy

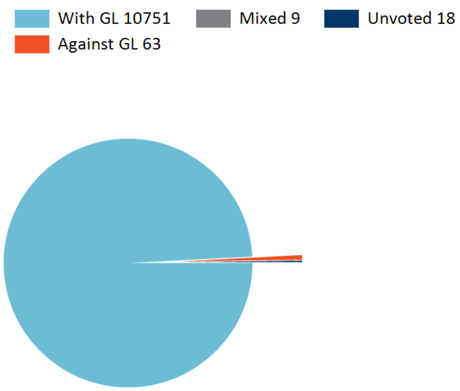


Shareholder Proposals - Votes versus Policy

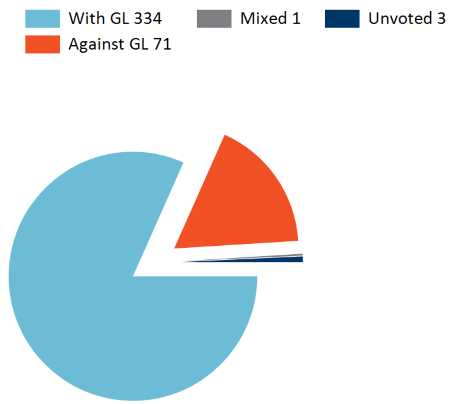


	Mgmt Proposals	SHP Proposals	Total Proposals
With Glass Lewis	10751	334	**11085**
Against Glass Lewis	63	71	**134**
N/A	0	0	**0**
Mixed	9	1	**10**
Take No Action	0	0	**0**
Unvoted	18	3	**21**
Totals	**10841**	**409**	**11250**

Management Proposals - Votes versus Glass Lewis



Shareholder Proposals - Votes versus Glass Lewis

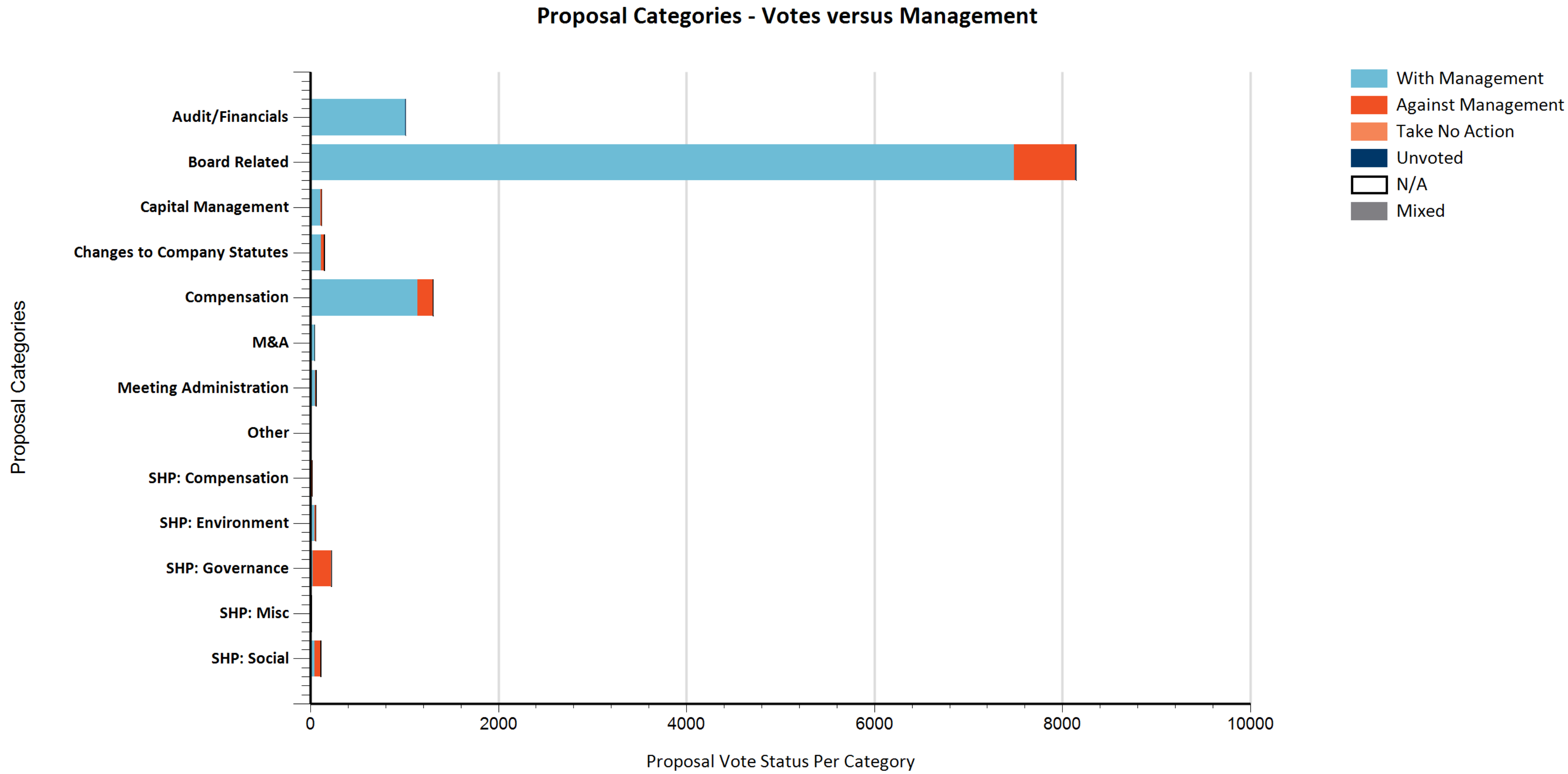


Proposal Category Report

From 7/1/2025 to 6/30/2026

Proposal Categories - All Votes

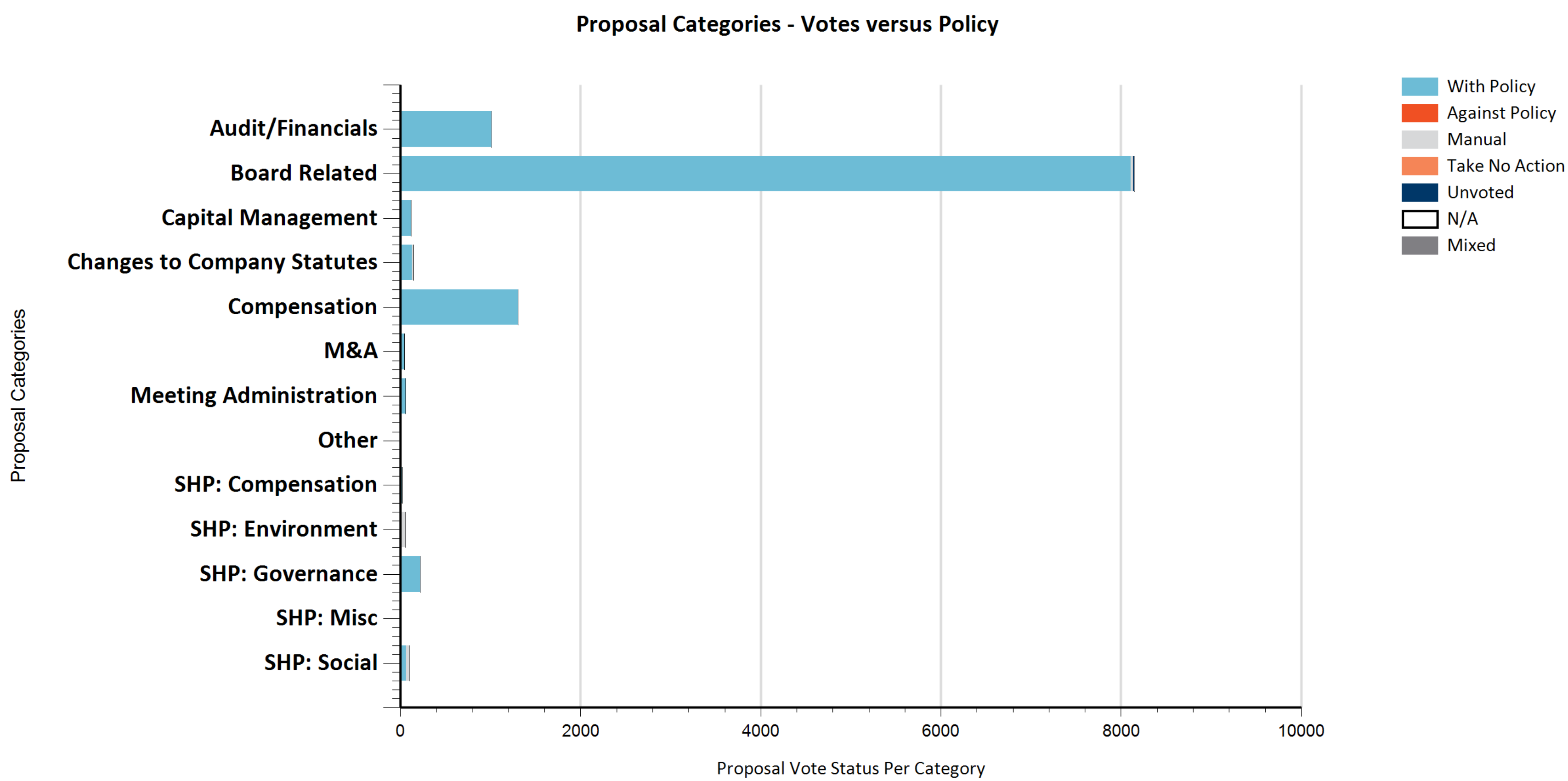
Proposal Category Type	For	Against	Abstain	Take No Action	Unvoted	Mixed	1 Year	2 Years	3 Years	Total
Totals	**10137**	**965**	**59**	**0**	**21**	**10**	**58**	**0**	**0**	**11250**
Audit/Financials	1008	1	0	0	2	1	0	0	0	**1012**
Board Related	7487	643	6	0	13	6	0	0	0	**8155**
Capital Management	108	8	0	0	0	0	0	0	0	**116**
Changes to Company Statutes	113	21	10	0	1	0	0	0	0	**145**
Compensation	1084	163	0	0	2	2	58	0	0	**1309**
M&A	43	0	0	0	0	0	0	0	0	**43**
Meeting Administration	52	8	0	0	0	0	0	0	0	**60**
Other	1	0	0	0	0	0	0	0	0	**1**
SHP: Compensation	7	2	8	0	0	0	0	0	0	**17**
SHP: Environment	4	45	8	0	2	0	0	0	0	**59**
SHP: Governance	191	28	2	0	1	1	0	0	0	**223**
SHP: Misc	0	5	0	0	0	0	0	0	0	**5**
SHP: Social	39	41	25	0	0	0	0	0	0	**105**



Proposal Categories - Votes versus Management

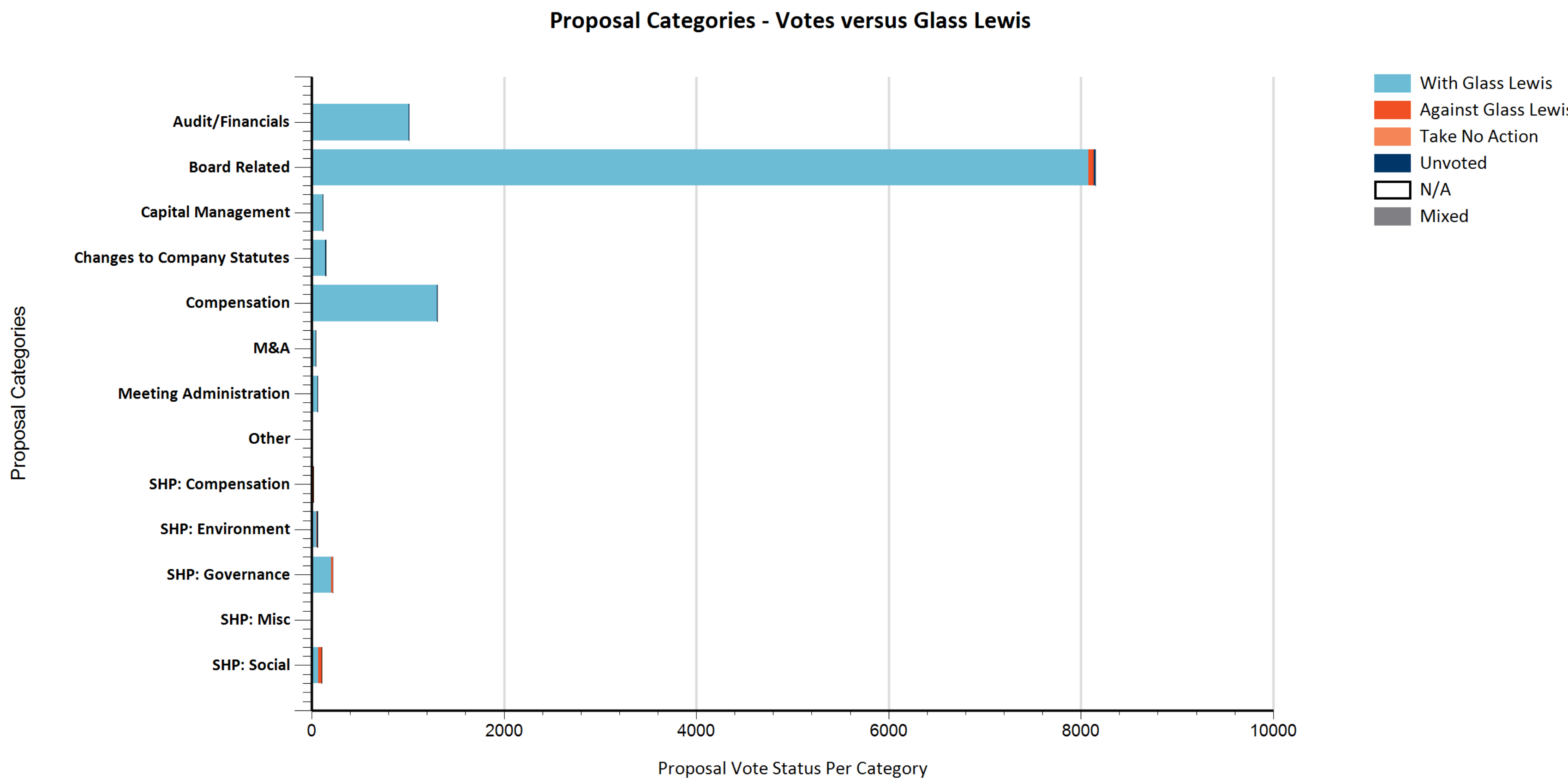
Proposal Category Type	With Management	Against Management	Take No Action	Unvoted	N/A	Mixed	Total
Totals	**10067**	**1138**	**0**	21	**14**	**10**	**11250**
Audit/Financials	1008	1	0	2	0	1	**1012**
Board Related	7487	649	0	13	0	6	**8155**
Capital Management	108	8	0	0	0	0	**116**
Changes to Company Statutes	112	31	0	1	1	0	**145**
Compensation	1136	165	0	2	4	2	**1309**
M&A	43	0	0	0	0	0	**43**

Proposal Category Type	With Management	Against Management	Take No Action	Unvoted	N/A	Mixed	Total
Meeting Administration	52	4	0	0	4	0	**60**
Other	1	0	0	0	0	0	**1**
SHP: Compensation	2	15	0	0	0	0	**17**
SHP: Environment	45	12	0	2	0	0	**59**
SHP: Governance	28	190	0	1	3	1	**223**
SHP: Misc	4	0	0	0	1	0	**5**
SHP: Social	41	63	0	0	1	0	**105**



Proposal Categories - Votes versus Policy

Proposal Category Type	With Policy	Against Policy	Manual	Take No Action	Unvoted	N/A	Mixed	Total
Totals	**11088**	**1**	**130**	**0**	21	**0**	**10**	**11250**
Audit/Financials	1009	0	0	0	2	0	1	**1012**
Board Related	8107	1	28	0	13	0	6	**8155**
Capital Management	116	0	0	0	0	0	0	**116**
Changes to Company Statutes	130	0	14	0	1	0	0	**145**
Compensation	1305	0	0	0	2	0	2	**1309**
M&A	43	0	0	0	0	0	0	**43**
Meeting Administration	60	0	0	0	0	0	0	**60**
Other	1	0	0	0	0	0	0	**1**
SHP: Compensation	17	0	0	0	0	0	0	**17**
SHP: Environment	8	0	49	0	2	0	0	**59**
SHP: Governance	221	0	0	0	1	0	1	**223**
SHP: Misc	5	0	0	0	0	0	0	**5**
SHP: Social	66	0	39	0	0	0	0	**105**



Proposal Categories - Votes versus Glass Lewis

Proposal Category Type	With Glass Lewis	Against Glass Lewis	Take No Action	Unvoted	N/A	Mixed	Total
Totals	**11085**	**134**	**0**	**21**	**0**	**10**	**11250**
Audit/Financials	1009	0	0	2	0	1	**1012**
Board Related	8077	59	0	13	0	6	**8155**
Capital Management	116	0	0	0	0	0	**116**
Changes to Company Statutes	143	1	0	1	0	0	**145**
Compensation	1302	3	0	2	0	2	**1309**
M&A	43	0	0	0	0	0	**43**

Proposal Category Type	With Glass Lewis	Against Glass Lewis	Take No Action	Unvoted	N/A	Mixed	Total
Meeting Administration	60	0	0	0	0	0	**60**
Other	1	0	0	0	0	0	**1**
SHP: Compensation	7	10	0	0	0	0	**17**
SHP: Environment	49	8	0	2	0	0	**59**
SHP: Governance	205	16	0	1	0	1	**223**
SHP: Misc	5	0	0	0	0	0	**5**
SHP: Social	68	37	0	0	0	0	**105**

Proposal Type Report

From 7/1/2025 to 6/30/2026

Proposal Types - All Votes

Issue Code Category	Issue Short Text	For	Against	Abstain	Take No Action	Unvoted	Mixed	1 Year	2 Years	3 Years	Total
Total for all categories		**10137**	**965**	**59**	**0**	**21**	**10**	**58**	**0**	**0**	**11250**
Audit/Financials		**1008**	**1**	**0**	**0**	**2**	**1**	**0**	**0**	**0**	**1012**
	Allocation of Profits/Dividends	16	0	0	0	0	0	0	0	0	**16**
	Appointment of Auditor	23	0	0	0	0	0	0	0	0	**23**
	Appointment of Auditor and Authority to Set Fees	18	0	0	0	0	0	0	0	0	**18**
	Appointment of Special Auditor	2	0	0	0	0	0	0	0	0	**2**
	Approval of Non-Financial Reports	4	0	0	0	0	0	0	0	0	**4**
	Authority to Set Auditor's Fees	15	0	0	0	0	0	0	0	0	**15**
	Financial Statements	25	0	0	0	0	0	0	0	0	**25**
	Ratification of Auditor	905	1	0	0	2	1	0	0	0	**909**
Board Related		**7487**	**643**	**6**	**0**	**13**	**6**	**0**	**0**	**0**	**8149**
	Authority to Fill Director Vacancy w/out Shareholder Approval	0	2	0	0	0	0	0	0	0	**2**
	Authorization of Board to Set Board Size	2	0	0	0	0	0	0	0	0	**2**
	Board Size	2	0	0	0	0	0	0	0	0	**2**
	Change in Board Size	5	0	0	0	0	0	0	0	0	**5**
	Director & Officer Liability/Indemnification	3	25	0	0	1	0	0	0	0	**29**
	Election of Board Committee Members	4	0	0	0	0	0	0	0	0	**4**
	Election of Directors	7418	604	6	0	12	6	0	0	0	**8046**

Issue Code Category	Issue Short Text	For	Against	Abstain	Take No Action	Unvoted	Mixed	1 Year	2 Years	3 Years	Total
	Election of Directors (Management Board)	2	0	0	0	0	0	0	0	0	**2**
	Election of Directors (Slate)	0	1	0	0	0	0	0	0	0	**1**
	Election of Directors (Slate) Bundled with Other Items	2	1	0	0	0	0	0	0	0	**3**
	Election of Minority or Preferred Shareholder Nominee	0	1	0	0	0	0	0	0	0	**1**
	Election of Non-Audit/Comp/Nom/Gov Committee Members	3	1	0	0	0	0	0	0	0	**4**
	Election of Non-Principal Members (Chairman, alternates)	3	5	0	0	0	0	0	0	0	**8**
	Election of Statutory Auditors	1	0	0	0	0	0	0	0	0	**1**
	Election of Subsidiary Directors	21	2	0	0	0	0	0	0	0	**23**
	Election of Supervisory Board	7	1	0	0	0	0	0	0	0	**8**
	Ratification of Board Acts - Legal	11	0	0	0	0	0	0	0	0	**11**
	Ratification of Management Acts - Legal	3	0	0	0	0	0	0	0	0	**3**
Capital Management		**108**	**8**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**116**
	Amendment to Authorized Common Stock	2	0	0	0	0	0	0	0	0	**2**
	Amendment to Dual Class Stock	0	2	0	0	0	0	0	0	0	**2**
	Amendment to Par Value	1	0	0	0	0	0	0	0	0	**1**
	Authority to Issue Shares w/ Preemptive Rights	23	0	0	0	0	0	0	0	0	**23**
	Authority to Issue Shares w/o Preemptive Rights	25	0	0	0	0	0	0	0	0	**25**
	Authority to Issue Stock w/ or w/out Preemptive Rights	1	0	0	0	0	0	0	0	0	**1**
	Authority to Repurchase and Re-Issue Shares	1	0	0	0	0	0	0	0	0	**1**
	Authority to Repurchase Shares	16	0	0	0	0	0	0	0	0	**16**
	Authority to Set Offering Price of Shares	8	0	0	0	0	0	0	0	0	**8**
	Cancellation of Authorized Stock	5	1	0	0	0	0	0	0	0	**6**

Issue Code Category	Issue Short Text	For	Against	Abstain	Take No Action	Unvoted	Mixed	1 Year	2 Years	3 Years	Total
	Conversion of Stock	1	0	0	0	0	0	0	0	0	**1**
	Increase in Authorized Capital	1	0	0	0	0	0	0	0	0	**1**
	Increase in Authorized Common Stock	7	1	0	0	0	0	0	0	0	**8**
	Increase in/Authorization of Dual Class Stock	0	1	0	0	0	0	0	0	0	**1**
	Increase in/Authorization of Preferred Stock	2	1	0	0	0	0	0	0	0	**3**
	Issuance of Common Stock	1	0	0	0	0	0	0	0	0	**1**
	Issuance of Repurchased Shares	2	0	0	0	0	0	0	0	0	**2**
	Misc. Proposal Regarding Capital	1	0	0	0	0	0	0	0	0	**1**
	Reduction in Share Premium Account	4	1	0	0	0	0	0	0	0	**5**
	Reverse Stock Split	3	0	0	0	0	0	0	0	0	**3**
	Stock Split	2	0	0	0	0	0	0	0	0	**2**
	Use/Transfer of Reserves	2	1	0	0	0	0	0	0	0	**3**
Changes to Company Statutes		**113**	**21**	**10**	**0**	**1**	**0**	**0**	**0**	**0**	**135**
	Adoption of Advance Notice Requirement	1	0	0	0	0	0	0	0	0	**1**
	Adoption of Supermajority Requirement	0	0	0	0	1	0	0	0	0	**1**
	Amendments to Articles, Constitution, Bylaws	6	1	0	0	0	0	0	0	0	**7**
	Amendments to Charter/Bylaw - Bundled	7	2	0	0	0	0	0	0	0	**9**
	Approval of Exclusive Forum Provisions	0	3	0	0	0	0	0	0	0	**3**
	Article Amendments - Allow for the Removal of Directors	3	0	0	0	0	0	0	0	0	**3**
	Change in State of Incorporation	2	7	0	0	0	0	0	0	0	**9**
	Company Name Change	1	0	0	0	0	0	0	0	0	**1**
	Elimination of Cumulative Voting	0	1	0	0	0	0	0	0	0	**1**

Issue Code Category	Issue Short Text	For	Against	Abstain	Take No Action	Unvoted	Mixed	1 Year	2 Years	3 Years	Total
	Elimination of Supermajority Requirement	33	0	0	0	0	0	0	0	0	**33**
	Elimination of Written Consent	0	1	0	0	0	0	0	0	0	**1**
	Limitation of Right to Call a Special Meeting	0	1	1	0	0	0	0	0	0	**2**
	Misc. Article Amendments	29	2	0	0	0	0	0	0	0	**31**
	Reincorporation	2	0	0	0	0	0	0	0	0	**2**
	Repeal of Classified Board	16	0	0	0	0	0	0	0	0	**16**
	Restoration of Right to Call a Special Meeting	10	3	9	0	0	0	0	0	0	**22**
	Restoration of Written Consent	1	0	0	0	0	0	0	0	0	**1**
	Technical Amendments to Charter/Bylaw	2	0	0	0	0	0	0	0	0	**2**
Compensation		**1084**	**163**	**0**	**0**	**2**	**2**	**58**	**0**	**0**	**1309**
	Adoption of Director Equity Compensation Plan	2	0	0	0	0	0	0	0	0	**2**
	Adoption of Employee Stock Purchase Plan	15	1	0	0	0	0	0	0	0	**16**
	Adoption of Equity Compensation Plan	67	3	0	0	0	0	0	0	0	**70**
	Adoption of Restricted Stock Plan	1	0	0	0	0	0	0	0	0	**1**
	Advisory Vote on Executive Compensation	784	124	0	0	1	1	0	0	0	**910**
	Advisory Vote on Severance	20	6	0	0	0	0	0	0	0	**26**
	Amendment to Director Equity Compensation Plan	2	0	0	0	0	0	0	0	0	**2**
	Amendment to Employee Stock Purchase Plan	29	3	0	0	0	0	0	0	0	**32**
	Amendment to Equity Compensation Plan	130	16	0	0	0	1	0	0	0	**147**
	Amendment to Stock Option Plan	1	0	0	0	0	0	0	0	0	**1**
	Amendment to Stock Purchase Plan	1	0	0	0	0	0	0	0	0	**1**
	Capital Proposal to Implement Equity Compensation Plan	2	0	0	0	0	0	0	0	0	**2**

Issue Code Category	Issue Short Text	For	Against	Abstain	Take No Action	Unvoted	Mixed	1 Year	2 Years	3 Years	Total
	Directors' Fees	2	0	0	0	0	0	0	0	0	**2**
	Directors' Stock Option Plan	2	0	0	0	0	0	0	0	0	**2**
	Non-Executive Remuneration Policy (Forward-Looking)	8	2	0	0	0	0	0	0	0	**10**
	Option Exchange/Repricing	1	0	0	0	0	0	0	0	0	**1**
	Remuneration Policy (Forward-Looking)	4	1	0	0	0	0	0	0	0	**5**
	Remuneration Report (Retrospective)	10	4	0	0	0	0	0	0	0	**14**
	Say When on Pay	0	0	0	0	1	0	58	0	0	**59**
	Stock Option Grants	2	3	0	0	0	0	0	0	0	**5**
	Stock Option Plan	1	0	0	0	0	0	0	0	0	**1**
M&A		**43**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**43**
	Merger/Acquisition	39	0	0	0	0	0	0	0	0	**39**
	Misc. Proposal Regarding Restructuring	3	0	0	0	0	0	0	0	0	**3**
	Spin-off	1	0	0	0	0	0	0	0	0	**1**
Meeting Administration		**52**	**8**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**60**
	Appointment of Independent Proxy (Switzerland)	4	0	0	0	0	0	0	0	0	**4**
	Authorization of Legal Formalities	1	0	0	0	0	0	0	0	0	**1**
	Right to Adjourn Meeting	42	4	0	0	0	0	0	0	0	**46**
	Routine Meeting Item	5	0	0	0	0	0	0	0	0	**5**
	Transact Other Business	0	4	0	0	0	0	0	0	0	**4**
Other		**1**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**1**
	Approval of Political Donation	1	0	0	0	0	0	0	0	0	**1**
SHP: Compensation		**7**	**2**	**8**	**0**	**0**	**0**	**0**	**0**	**0**	**9**

Issue Code Category	Issue Short Text	For	Against	Abstain	Take No Action	Unvoted	Mixed	1 Year	2 Years	3 Years	Total
	SHP Regarding Advisory Vote on Compensation (Say on Pay)	1	0	0	0	0	0	0	0	0	**1**
	SHP Regarding Golden Parachutes	4	0	0	0	0	0	0	0	0	**4**
	SHP Regarding Linking Executive Pay to Social Criteria	0	0	8	0	0	0	0	0	0	**8**
	SHP Regarding Misc. Compensation	0	1	0	0	0	0	0	0	0	**1**
	SHP Regarding Report on Ratio Between CEO and Employee Pay	0	1	0	0	0	0	0	0	0	**1**
	SHP Regarding Restricting Executive Compensation	2	0	0	0	0	0	0	0	0	**2**
SHP: Environment		**4**	**45**	**8**	**0**	**2**	**0**	**0**	**0**	**0**	**51**
	SHP Regarding Bioengineering / Nanotechnology Safety	0	0	4	0	0	0	0	0	0	**4**
	SHP Regarding Climate Lobbying	0	1	0	0	0	0	0	0	0	**1**
	SHP Regarding Environmental Report	1	12	0	0	1	0	0	0	0	**14**
	SHP Regarding Formation of Environmental/Social Committee of the B	0	0	4	0	0	0	0	0	0	**4**
	SHP Regarding Misc. Energy/Environmental Issues	0	8	0	0	0	0	0	0	0	**8**
	SHP Regarding Report/Action on Climate Change	2	18	0	0	0	0	0	0	0	**20**
	SHP Regarding Reporting and Reducing Greenhouse Gas Emissions	0	6	0	0	1	0	0	0	0	**7**
	SHP Regarding Sustainability Report	1	0	0	0	0	0	0	0	0	**1**
SHP: Governance		**191**	**28**	**2**	**0**	**1**	**1**	**0**	**0**	**0**	**221**
	SHP Minimum Stock Ownership by Directors or Executives	0	1	0	0	0	0	0	0	0	**1**
	SHP Regarding Board Composition	0	1	0	0	0	0	0	0	0	**1**
	SHP Regarding Cumulative Voting	7	0	0	0	0	0	0	0	0	**7**
	SHP Regarding Directors' Roles in Corporate Strategy	0	1	0	0	0	0	0	0	0	**1**
	SHP Regarding Eliminating Supermajority Provisions	11	4	0	0	1	0	0	0	0	**16**
	SHP Regarding Independent Board Chairman/Separation of Chair and CEO	70	0	0	0	0	0	0	0	0	**70**

Issue Code Category	Issue Short Text	For	Against	Abstain	Take No Action	Unvoted	Mixed	1 Year	2 Years	3 Years	Total
	SHP Regarding Majority Vote for Election of Directors	7	0	0	0	0	0	0	0	0	**7**
	SHP Regarding Misc. Board/Shareholder Rights Issue	11	6	1	0	0	0	0	0	0	**18**
	SHP Regarding Recapitalization	7	0	0	0	0	0	0	0	0	**7**
	SHP Regarding Removal of Directors	1	0	0	0	0	0	0	0	0	**1**
	SHP Regarding Right to Act by Written Consent	23	13	1	0	0	0	0	0	0	**37**
	SHP Regarding Right to Call a Special Meeting	47	1	0	0	0	0	0	0	0	**48**
	SHP Regarding Sale of the Company or Assets	0	1	0	0	0	0	0	0	0	**1**
	SHP Regarding the Declassification of the Board	6	0	0	0	0	1	0	0	0	**7**
	SHP Shareholder Access to the Nomination Process (Proxy Access)	1	0	0	0	0	0	0	0	0	**1**
SHP: Misc		**0**	**5**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**5**
	SHP: Misc. Issues	0	5	0	0	0	0	0	0	0	**5**
SHP: Social		**39**	**41**	**25**	**0**	**0**	**0**	**0**	**0**	**0**	**80**
	SHP Regarding Animal Welfare	0	0	2	0	0	0	0	0	0	**2**
	SHP Regarding Drug Pricing/Distribution	0	0	1	0	0	0	0	0	0	**1**
	SHP Regarding Misc. Human Capital Management	1	21	0	0	0	0	0	0	0	**22**
	SHP Regarding Misc. Labor Issues/Policies	2	2	0	0	0	0	0	0	0	**4**
	SHP Regarding Misc. Social Issue	7	0	20	0	0	0	0	0	0	**27**
	SHP Regarding Pregnancy/Abortion Issues	0	0	1	0	0	0	0	0	0	**1**
	SHP Regarding Report on EEO	3	0	0	0	0	0	0	0	0	**3**
	SHP Regarding Reporting on Company's Compliance with International Human Rig	1	13	0	0	0	0	0	0	0	**14**
	SHP Regarding Reviewing Charitable Spending	12	0	0	0	0	0	0	0	0	**12**
	SHP Regarding Reviewing Political Spending or Lobbying	13	5	0	0	0	0	0	0	0	**18**

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

Proposal Types – Votes Versus Management

Issue Code Category	Issue Code Description	With Management	Against Management	Take No Action	Unvoted	N/A	Mixed	Total
Total for all Categories		**10067**	**1138**	**0**	**21**	**14**	**10**	**11250**
Audit/Financials		**1008**	**1**	**0**	**2**	**0**	**1**	**1012**
	Allocation of Profits/Dividends	16	0	0	0	0	0	**16**
	Appointment of Auditor	23	0	0	0	0	0	**23**
	Appointment of Auditor and Authority to Set Fees	18	0	0	0	0	0	**18**
	Appointment of Special Auditor	2	0	0	0	0	0	**2**
	Approval of Non-Financial Reports	4	0	0	0	0	0	**4**
	Authority to Set Auditor's Fees	15	0	0	0	0	0	**15**
	Financial Statements	25	0	0	0	0	0	**25**
	Ratification of Auditor	905	1	0	2	0	1	**909**
Board Related		**7487**	**649**	**0**	**13**	**0**	**6**	**8155**
	Authority to Fill Director Vacancy w/out Shareholder Approval	0	2	0	0	0	0	**2**
	Authorization of Board to Set Board Size	2	0	0	0	0	0	**2**
	Board Size	2	0	0	0	0	0	**2**
	Change in Board Size	5	0	0	0	0	0	**5**
	Director & Officer Liability/Indemnification	3	25	0	1	0	0	**29**
	Election of Board Committee Members	4	0	0	0	0	0	**4**
	Election of Directors	7418	610	0	12	0	6	**8046**

Issue Code Category	Issue Code Description	With Management	Against Management	Take No Action	Unvoted	N/A	Mixed	Total
	Election of Directors (Management Board)	2	0	0	0	0	0	**2**
	Election of Directors (Slate)	0	1	0	0	0	0	**1**
	Election of Directors (Slate) Bundled with Other Items	2	1	0	0	0	0	**3**
	Election of Minority or Preferred Shareholder Nominee	0	1	0	0	0	0	**1**
	Election of Non-Audit/Comp/Nom/Gov Committee Members	3	1	0	0	0	0	**4**
	Election of Non-Principal Members (Chairman, alternates)	3	5	0	0	0	0	**8**
	Election of Statutory Auditors	1	0	0	0	0	0	**1**
	Election of Subsidiary Directors	21	2	0	0	0	0	**23**
	Election of Supervisory Board	7	1	0	0	0	0	**8**
	Ratification of Board Acts - Legal	11	0	0	0	0	0	**11**
	Ratification of Management Acts - Legal	3	0	0	0	0	0	**3**
Capital Management		**108**	**8**	**0**	**0**	**0**	**0**	**116**
	Amendment to Authorized Common Stock	2	0	0	0	0	0	**2**
	Amendment to Dual Class Stock	0	2	0	0	0	0	**2**
	Amendment to Par Value	1	0	0	0	0	0	**1**
	Authority to Issue Shares w/ Preemptive Rights	23	0	0	0	0	0	**23**
	Authority to Issue Shares w/o Preemptive Rights	25	0	0	0	0	0	**25**
	Authority to Issue Stock w/ or w/out Preemptive Rights	1	0	0	0	0	0	**1**
	Authority to Repurchase and Re-Issue Shares	1	0	0	0	0	0	**1**
	Authority to Repurchase Shares	16	0	0	0	0	0	**16**
	Authority to Set Offering Price of Shares	8	0	0	0	0	0	**8**
	Cancellation of Authorized Stock	5	1	0	0	0	0	**6**

Issue Code Category	Issue Code Description	With Management	Against Management	Take No Action	Unvoted	N/A	Mixed	Total
	Conversion of Stock	1	0	0	0	0	0	**1**
	Increase in Authorized Capital	1	0	0	0	0	0	**1**
	Increase in Authorized Common Stock	7	1	0	0	0	0	**8**
	Increase in/Authorization of Dual Class Stock	0	1	0	0	0	0	**1**
	Increase in/Authorization of Preferred Stock	2	1	0	0	0	0	**3**
	Issuance of Common Stock	1	0	0	0	0	0	**1**
	Issuance of Repurchased Shares	2	0	0	0	0	0	**2**
	Misc. Proposal Regarding Capital	1	0	0	0	0	0	**1**
	Reduction in Share Premium Account	4	1	0	0	0	0	**5**
	Reverse Stock Split	3	0	0	0	0	0	**3**
	Stock Split	2	0	0	0	0	0	**2**
	Use/Transfer of Reserves	2	1	0	0	0	0	**3**
Changes to Company Statutes		**112**	**31**	**0**	**1**	**1**	**0**	**145**
	Adoption of Advance Notice Requirement	1	0	0	0	0	0	**1**
	Adoption of Supermajority Requirement	0	0	0	1	0	0	**1**
	Amendments to Articles, Constitution, Bylaws	6	1	0	0	0	0	**7**
	Amendments to Charter/Bylaw - Bundled	7	2	0	0	0	0	**9**
	Approval of Exclusive Forum Provisions	0	3	0	0	0	0	**3**
	Article Amendments - Allow for the Removal of Directors	3	0	0	0	0	0	**3**
	Change in State of Incorporation	2	7	0	0	0	0	**9**
	Company Name Change	1	0	0	0	0	0	**1**
	Elimination of Cumulative Voting	0	1	0	0	0	0	**1**

Issue Code Category	Issue Code Description	With Management	Against Management	Take No Action	Unvoted	N/A	Mixed	Total
	Elimination of Supermajority Requirement	32	0	0	0	1	0	**33**
	Elimination of Written Consent	0	1	0	0	0	0	**1**
	Limitation of Right to Call a Special Meeting	0	2	0	0	0	0	**2**
	Misc. Article Amendments	29	2	0	0	0	0	**31**
	Reincorporation	2	0	0	0	0	0	**2**
	Repeal of Classified Board	16	0	0	0	0	0	**16**
	Restoration of Right to Call a Special Meeting	10	12	0	0	0	0	**22**
	Restoration of Written Consent	1	0	0	0	0	0	**1**
	Technical Amendments to Charter/Bylaw	2	0	0	0	0	0	**2**
Compensation		**1136**	**165**	**0**	**2**	**4**	**2**	**1309**
	Adoption of Director Equity Compensation Plan	2	0	0	0	0	0	**2**
	Adoption of Employee Stock Purchase Plan	15	1	0	0	0	0	**16**
	Adoption of Equity Compensation Plan	67	3	0	0	0	0	**70**
	Adoption of Restricted Stock Plan	1	0	0	0	0	0	**1**
	Advisory Vote on Executive Compensation	784	124	0	1	0	1	**910**
	Advisory Vote on Severance	20	6	0	0	0	0	**26**
	Amendment to Director Equity Compensation Plan	2	0	0	0	0	0	**2**
	Amendment to Employee Stock Purchase Plan	29	3	0	0	0	0	**32**
	Amendment to Equity Compensation Plan	130	16	0	0	0	1	**147**
	Amendment to Stock Option Plan	1	0	0	0	0	0	**1**
	Amendment to Stock Purchase Plan	1	0	0	0	0	0	**1**
	Capital Proposal to Implement Equity Compensation Plan	2	0	0	0	0	0	**2**

Issue Code Category	Issue Code Description	With Management	Against Management	Take No Action	Unvoted	N/A	Mixed	Total
	Directors' Fees	2	0	0	0	0	0	**2**
	Directors' Stock Option Plan	0	0	0	0	2	0	**2**
	Non-Executive Remuneration Policy (Forward-Looking)	8	0	0	0	2	0	**10**
	Option Exchange/Repricing	1	0	0	0	0	0	**1**
	Remuneration Policy (Forward-Looking)	4	1	0	0	0	0	**5**
	Remuneration Report (Retrospective)	10	4	0	0	0	0	**14**
	Say When on Pay	54	4	0	1	0	0	**59**
	Stock Option Grants	2	3	0	0	0	0	**5**
	Stock Option Plan	1	0	0	0	0	0	**1**
M&A		**43**	**0**	**0**	**0**	**0**	**0**	**43**
	Merger/Acquisition	39	0	0	0	0	0	**39**
	Misc. Proposal Regarding Restructuring	3	0	0	0	0	0	**3**
	Spin-off	1	0	0	0	0	0	**1**
Meeting Administration		**52**	**4**	**0**	**0**	**4**	**0**	**60**
	Appointment of Independent Proxy (Switzerland)	4	0	0	0	0	0	**4**
	Authorization of Legal Formalities	1	0	0	0	0	0	**1**
	Right to Adjourn Meeting	42	4	0	0	0	0	**46**
	Routine Meeting Item	5	0	0	0	0	0	**5**
	Transact Other Business	0	0	0	0	4	0	**4**
Other		**1**	**0**	**0**	**0**	**0**	**0**	**1**
	Approval of Political Donation	1	0	0	0	0	0	**1**
SHP: Compensation		**2**	**15**	**0**	**0**	**0**	**0**	**17**

Issue Code Category	Issue Code Description	With Management	Against Management	Take No Action	Unvoted	N/A	Mixed	Total
	SHP Regarding Advisory Vote on Compensation (Say on Pay)	0	1	0	0	0	0	**1**
	SHP Regarding Golden Parachutes	0	4	0	0	0	0	**4**
	SHP Regarding Linking Executive Pay to Social Criteria	0	8	0	0	0	0	**8**
	SHP Regarding Misc. Compensation	1	0	0	0	0	0	**1**
	SHP Regarding Report on Ratio Between CEO and Employee Pay	1	0	0	0	0	0	**1**
	SHP Regarding Restricting Executive Compensation	0	2	0	0	0	0	**2**
SHP: Environment		**45**	**12**	**0**	**2**	**0**	**0**	**59**
	SHP Regarding Bioengineering / Nanotechnology Safety	0	4	0	0	0	0	**4**
	SHP Regarding Climate Lobbying	1	0	0	0	0	0	**1**
	SHP Regarding Environmental Report	12	1	0	1	0	0	**14**
	SHP Regarding Formation of Environmental/Social Committee of the Board	0	4	0	0	0	0	**4**
	SHP Regarding Misc. Energy/Environmental Issues	8	0	0	0	0	0	**8**
	SHP Regarding Report/Action on Climate Change	18	2	0	0	0	0	**20**
	SHP Regarding Reporting and Reducing Greenhouse Gas Emissions	6	0	0	1	0	0	**7**
	SHP Regarding Sustainability Report	0	1	0	0	0	0	**1**
SHP: Governance		**28**	**190**	**0**	**1**	**3**	**1**	**223**
	SHP Minimum Stock Ownership by Directors or Executives	1	0	0	0	0	0	**1**
	SHP Regarding Board Composition	1	0	0	0	0	0	**1**
	SHP Regarding Cumulative Voting	0	7	0	0	0	0	**7**
	SHP Regarding Directors' Roles in Corporate Strategy	1	0	0	0	0	0	**1**
	SHP Regarding Eliminating Supermajority Provisions	4	9	0	1	2	0	**16**
	SHP Regarding Independent Board Chairman/Separation of Chair and CEO	0	70	0	0	0	0	**70**

Issue Code Category	Issue Code Description	With Management	Against Management	Take No Action	Unvoted	N/A	Mixed	Total
	SHP Regarding Majority Vote for Election of Directors	0	7	0	0	0	0	**7**
	SHP Regarding Misc. Board/Shareholder Rights Issue	6	12	0	0	0	0	**18**
	SHP Regarding Recapitalization	0	7	0	0	0	0	**7**
	SHP Regarding Removal of Directors	0	1	0	0	0	0	**1**
	SHP Regarding Right to Act by Written Consent	13	24	0	0	0	0	**37**
	SHP Regarding Right to Call a Special Meeting	1	47	0	0	0	0	**48**
	SHP Regarding Sale of the Company or Assets	1	0	0	0	0	0	**1**
	SHP Regarding the Declassification of the Board	0	5	0	0	1	1	**7**
	SHP Shareholder Access to the Nomination Process (Proxy Access)	0	1	0	0	0	0	**1**
SHP: Misc		**4**	**0**	**0**	**0**	**1**	**0**	**5**
	SHP: Misc. Issues	4	0	0	0	1	0	**5**
SHP: Social		**41**	**63**	**0**	**0**	**1**	**0**	**105**
	SHP Regarding Animal Welfare	0	2	0	0	0	0	**2**
	SHP Regarding Drug Pricing/Distribution	0	1	0	0	0	0	**1**
	SHP Regarding Misc. Human Capital Management	21	1	0	0	0	0	**22**
	SHP Regarding Misc. Labor Issues/Policies	2	2	0	0	0	0	**4**
	SHP Regarding Misc. Social Issue	0	27	0	0	0	0	**27**
	SHP Regarding Pregnancy/Abortion Issues	0	1	0	0	0	0	**1**
	SHP Regarding Report on EEO	0	2	0	0	1	0	**3**
	SHP Regarding Reporting on Company's Compliance with International Human Rights Standards	13	1	0	0	0	0	**14**
	SHP Regarding Reviewing Charitable Spending	0	12	0	0	0	0	**12**
	SHP Regarding Reviewing Political Spending or Lobbying	5	13	0	0	0	0	**18**

Issue Code Category	Issue Code Description	With Management	Against Management	Take No Action	Unvoted	N/A	Mixed	Total
	SHP Regarding Tobacco/Alcohol	0	1	0	0	0	0	**1**

Proposal Types – Votes Versus Policy

Issue Code Category	Issue Code Description	With Policy	Against Policy	Manual	Take No Action	Unvoted	N/A	Mixed	Total
Total for all Categories		**11088**	**1**	**130**	**0**	**21**	**0**	**10**	**11250**
Audit/Financials		**1009**	**0**	**0**	**0**	**2**	**0**	**1**	**1012**
	Allocation of Profits/Dividends	16	0	0	0	0	0	0	**16**
	Appointment of Auditor	23	0	0	0	0	0	0	**23**
	Appointment of Auditor and Authority to Set Fees	18	0	0	0	0	0	0	**18**
	Appointment of Special Auditor	2	0	0	0	0	0	0	**2**
	Approval of Non-Financial Reports	4	0	0	0	0	0	0	**4**
	Authority to Set Auditor's Fees	15	0	0	0	0	0	0	**15**
	Financial Statements	25	0	0	0	0	0	0	**25**
	Ratification of Auditor	906	0	0	0	2	0	1	**909**
Board Related		**8107**	**1**	**28**	**0**	**13**	**0**	**6**	**8155**
	Authority to Fill Director Vacancy w/out Shareholder Approval	2	0	0	0	0	0	0	**2**
	Authorization of Board to Set Board Size	2	0	0	0	0	0	0	**2**
	Board Size	2	0	0	0	0	0	0	**2**
	Change in Board Size	5	0	0	0	0	0	0	**5**
	Director & Officer Liability/Indemnification	0	0	28	0	1	0	0	**29**
	Election of Board Committee Members	4	0	0	0	0	0	0	**4**
	Election of Directors	8027	1	0	0	12	0	6	**8046**

Issue Code Category	Issue Code Description	With Policy	Against Policy	Manual	Take No Action	Unvoted	N/A	Mixed	Total
	Election of Directors (Management Board)	2	0	0	0	0	0	0	**2**
	Election of Directors (Slate)	1	0	0	0	0	0	0	**1**
	Election of Directors (Slate) Bundled with Other Items	3	0	0	0	0	0	0	**3**
	Election of Minority or Preferred Shareholder Nominee	1	0	0	0	0	0	0	**1**
	Election of Non-Audit/Comp/Nom/Gov Committee Members	4	0	0	0	0	0	0	**4**
	Election of Non-Principal Members (Chairman, alternates)	8	0	0	0	0	0	0	**8**
	Election of Statutory Auditors	1	0	0	0	0	0	0	**1**
	Election of Subsidiary Directors	23	0	0	0	0	0	0	**23**
	Election of Supervisory Board	8	0	0	0	0	0	0	**8**
	Ratification of Board Acts - Legal	11	0	0	0	0	0	0	**11**
	Ratification of Management Acts - Legal	3	0	0	0	0	0	0	**3**
Capital Management		**116**	**0**	**0**	**0**	**0**	**0**	**0**	**116**
	Amendment to Authorized Common Stock	2	0	0	0	0	0	0	**2**
	Amendment to Dual Class Stock	2	0	0	0	0	0	0	**2**
	Amendment to Par Value	1	0	0	0	0	0	0	**1**
	Authority to Issue Shares w/ Preemptive Rights	23	0	0	0	0	0	0	**23**
	Authority to Issue Shares w/o Preemptive Rights	25	0	0	0	0	0	0	**25**
	Authority to Issue Stock w/ or w/out Preemptive Rights	1	0	0	0	0	0	0	**1**
	Authority to Repurchase and Re-Issue Shares	1	0	0	0	0	0	0	**1**
	Authority to Repurchase Shares	16	0	0	0	0	0	0	**16**
	Authority to Set Offering Price of Shares	8	0	0	0	0	0	0	**8**
	Cancellation of Authorized Stock	6	0	0	0	0	0	0	**6**

Issue Code Category	Issue Code Description	With Policy	Against Policy	Manual	Take No Action	Unvoted	N/A	Mixed	Total
	Conversion of Stock	1	0	0	0	0	0	0	**1**
	Increase in Authorized Capital	1	0	0	0	0	0	0	**1**
	Increase in Authorized Common Stock	8	0	0	0	0	0	0	**8**
	Increase in/Authorization of Dual Class Stock	1	0	0	0	0	0	0	**1**
	Increase in/Authorization of Preferred Stock	3	0	0	0	0	0	0	**3**
	Issuance of Common Stock	1	0	0	0	0	0	0	**1**
	Issuance of Repurchased Shares	2	0	0	0	0	0	0	**2**
	Misc. Proposal Regarding Capital	1	0	0	0	0	0	0	**1**
	Reduction in Share Premium Account	5	0	0	0	0	0	0	**5**
	Reverse Stock Split	3	0	0	0	0	0	0	**3**
	Stock Split	2	0	0	0	0	0	0	**2**
	Use/Transfer of Reserves	3	0	0	0	0	0	0	**3**
Changes to Company Statutes		**130**	**0**	**14**	**0**	**1**	**0**	**0**	**145**
	Adoption of Advance Notice Requirement	1	0	0	0	0	0	0	**1**
	Adoption of Supermajority Requirement	0	0	0	0	1	0	0	**1**
	Amendments to Articles, Constitution, Bylaws	7	0	0	0	0	0	0	**7**
	Amendments to Charter/Bylaw - Bundled	9	0	0	0	0	0	0	**9**
	Approval of Exclusive Forum Provisions	0	0	3	0	0	0	0	**3**
	Article Amendments - Allow for the Removal of Directors	3	0	0	0	0	0	0	**3**
	Change in State of Incorporation	0	0	9	0	0	0	0	**9**
	Company Name Change	1	0	0	0	0	0	0	**1**
	Elimination of Cumulative Voting	1	0	0	0	0	0	0	**1**

Issue Code Category	Issue Code Description	With Policy	Against Policy	Manual	Take No Action	Unvoted	N/A	Mixed	Total
	Elimination of Supermajority Requirement	33	0	0	0	0	0	0	**33**
	Elimination of Written Consent	1	0	0	0	0	0	0	**1**
	Limitation of Right to Call a Special Meeting	2	0	0	0	0	0	0	**2**
	Misc. Article Amendments	31	0	0	0	0	0	0	**31**
	Reincorporation	0	0	2	0	0	0	0	**2**
	Repeal of Classified Board	16	0	0	0	0	0	0	**16**
	Restoration of Right to Call a Special Meeting	22	0	0	0	0	0	0	**22**
	Restoration of Written Consent	1	0	0	0	0	0	0	**1**
	Technical Amendments to Charter/Bylaw	2	0	0	0	0	0	0	**2**
Compensation		**1305**	**0**	**0**	**0**	**2**	**0**	**2**	**1309**
	Adoption of Director Equity Compensation Plan	2	0	0	0	0	0	0	**2**
	Adoption of Employee Stock Purchase Plan	16	0	0	0	0	0	0	**16**
	Adoption of Equity Compensation Plan	70	0	0	0	0	0	0	**70**
	Adoption of Restricted Stock Plan	1	0	0	0	0	0	0	**1**
	Advisory Vote on Executive Compensation	908	0	0	0	1	0	1	**910**
	Advisory Vote on Severance	26	0	0	0	0	0	0	**26**
	Amendment to Director Equity Compensation Plan	2	0	0	0	0	0	0	**2**
	Amendment to Employee Stock Purchase Plan	32	0	0	0	0	0	0	**32**
	Amendment to Equity Compensation Plan	146	0	0	0	0	0	1	**147**
	Amendment to Stock Option Plan	1	0	0	0	0	0	0	**1**
	Amendment to Stock Purchase Plan	1	0	0	0	0	0	0	**1**
	Capital Proposal to Implement Equity Compensation Plan	2	0	0	0	0	0	0	**2**

Issue Code Category	Issue Code Description	With Policy	Against Policy	Manual	Take No Action	Unvoted	N/A	Mixed	Total
	Directors' Fees	2	0	0	0	0	0	0	**2**
	Directors' Stock Option Plan	2	0	0	0	0	0	0	**2**
	Non-Executive Remuneration Policy (Forward-Looking)	10	0	0	0	0	0	0	**10**
	Option Exchange/Repricing	1	0	0	0	0	0	0	**1**
	Remuneration Policy (Forward-Looking)	5	0	0	0	0	0	0	**5**
	Remuneration Report (Retrospective)	14	0	0	0	0	0	0	**14**
	Say When on Pay	58	0	0	0	1	0	0	**59**
	Stock Option Grants	5	0	0	0	0	0	0	**5**
	Stock Option Plan	1	0	0	0	0	0	0	**1**
M&A		**43**	**0**	**0**	**0**	**0**	**0**	**0**	**43**
	Merger/Acquisition	39	0	0	0	0	0	0	**39**
	Misc. Proposal Regarding Restructuring	3	0	0	0	0	0	0	**3**
	Spin-off	1	0	0	0	0	0	0	**1**
Meeting Administration		**60**	**0**	**0**	**0**	**0**	**0**	**0**	**60**
	Appointment of Independent Proxy (Switzerland)	4	0	0	0	0	0	0	**4**
	Authorization of Legal Formalities	1	0	0	0	0	0	0	**1**
	Right to Adjourn Meeting	46	0	0	0	0	0	0	**46**
	Routine Meeting Item	5	0	0	0	0	0	0	**5**
	Transact Other Business	4	0	0	0	0	0	0	**4**
Other		**1**	**0**	**0**	**0**	**0**	**0**	**0**	**1**
	Approval of Political Donation	1	0	0	0	0	0	0	**1**
SHP: Compensation		**17**	**0**	**0**	**0**	**0**	**0**	**0**	**17**

Issue Code Category	Issue Code Description	With Policy	Against Policy	Manual	Take No Action	Unvoted	N/A	Mixed	Total
	SHP Regarding Advisory Vote on Compensation (Say on Pay)	1	0	0	0	0	0	0	**1**
	SHP Regarding Golden Parachutes	4	0	0	0	0	0	0	**4**
	SHP Regarding Linking Executive Pay to Social Criteria	8	0	0	0	0	0	0	**8**
	SHP Regarding Misc. Compensation	1	0	0	0	0	0	0	**1**
	SHP Regarding Report on Ratio Between CEO and Employee Pay	1	0	0	0	0	0	0	**1**
	SHP Regarding Restricting Executive Compensation	2	0	0	0	0	0	0	**2**
SHP: Environment		**8**	**0**	**49**	**0**	**2**	**0**	**0**	**59**
	SHP Regarding Bioengineering / Nanotechnology Safety	4	0	0	0	0	0	0	**4**
	SHP Regarding Climate Lobbying	0	0	1	0	0	0	0	**1**
	SHP Regarding Environmental Report	0	0	13	0	1	0	0	**14**
	SHP Regarding Formation of Environmental/Social Committee of the Board	4	0	0	0	0	0	0	**4**
	SHP Regarding Misc. Energy/Environmental Issues	0	0	8	0	0	0	0	**8**
	SHP Regarding Report/Action on Climate Change	0	0	20	0	0	0	0	**20**
	SHP Regarding Reporting and Reducing Greenhouse Gas Emissions	0	0	6	0	1	0	0	**7**
	SHP Regarding Sustainability Report	0	0	1	0	0	0	0	**1**
SHP: Governance		**221**	**0**	**0**	**0**	**1**	**0**	**1**	**223**
	SHP Minimum Stock Ownership by Directors or Executives	1	0	0	0	0	0	0	**1**
	SHP Regarding Board Composition	1	0	0	0	0	0	0	**1**
	SHP Regarding Cumulative Voting	7	0	0	0	0	0	0	**7**
	SHP Regarding Directors' Roles in Corporate Strategy	1	0	0	0	0	0	0	**1**
	SHP Regarding Eliminating Supermajority Provisions	15	0	0	0	1	0	0	**16**
	SHP Regarding Independent Board Chairman/Separation of Chair and CEO	70	0	0	0	0	0	0	**70**

Issue Code Category	Issue Code Description	With Policy	Against Policy	Manual	Take No Action	Unvoted	N/A	Mixed	Total
	SHP Regarding Majority Vote for Election of Directors	7	0	0	0	0	0	0	**7**
	SHP Regarding Misc. Board/Shareholder Rights Issue	18	0	0	0	0	0	0	**18**
	SHP Regarding Recapitalization	7	0	0	0	0	0	0	**7**
	SHP Regarding Removal of Directors	1	0	0	0	0	0	0	**1**
	SHP Regarding Right to Act by Written Consent	37	0	0	0	0	0	0	**37**
	SHP Regarding Right to Call a Special Meeting	48	0	0	0	0	0	0	**48**
	SHP Regarding Sale of the Company or Assets	1	0	0	0	0	0	0	**1**
	SHP Regarding the Declassification of the Board	6	0	0	0	0	0	1	**7**
	SHP Shareholder Access to the Nomination Process (Proxy Access)	1	0	0	0	0	0	0	**1**
SHP: Misc		**5**	**0**	**0**	**0**	**0**	**0**	**0**	**5**
	SHP: Misc. Issues	5	0	0	0	0	0	0	**5**
SHP: Social		**66**	**0**	**39**	**0**	**0**	**0**	**0**	**105**
	SHP Regarding Animal Welfare	2	0	0	0	0	0	0	**2**
	SHP Regarding Drug Pricing/Distribution	1	0	0	0	0	0	0	**1**
	SHP Regarding Misc. Human Capital Management	1	0	21	0	0	0	0	**22**
	SHP Regarding Misc. Labor Issues/Policies	4	0	0	0	0	0	0	**4**
	SHP Regarding Misc. Social Issue	27	0	0	0	0	0	0	**27**
	SHP Regarding Pregnancy/Abortion Issues	1	0	0	0	0	0	0	**1**
	SHP Regarding Report on EEO	3	0	0	0	0	0	0	**3**
	SHP Regarding Reporting on Company's Compliance with International Human Rights Standards	14	0	0	0	0	0	0	**14**
	SHP Regarding Reviewing Charitable Spending	12	0	0	0	0	0	0	**12**
	SHP Regarding Reviewing Political Spending or Lobbying	0	0	18	0	0	0	0	**18**

Issue Code Category	Issue Code Description	With Policy	Against Policy	Manual	Take No Action	Unvoted	N/A	Mixed	Total
	SHP Regarding Tobacco/Alcohol	1	0	0	0	0	0	0	**1**

Proposal Types – Votes Versus Glass Lewis

Issue Code Category	Issue Code Description	With Glass Lewis	Against Glass Lewis	Take No Action	Unvoted	N/A	Mixed	Total
Total for all Categories		**11085**	**134**	**0**	**21**	**0**	**10**	**11250**
Audit/Financials		**1009**	**0**	**0**	**2**	**0**	**1**	**1012**
	Allocation of Profits/Dividends	16	0	0	0	0	0	**16**
	Appointment of Auditor	23	0	0	0	0	0	**23**
	Appointment of Auditor and Authority to Set Fees	18	0	0	0	0	0	**18**
	Appointment of Special Auditor	2	0	0	0	0	0	**2**
	Approval of Non-Financial Reports	4	0	0	0	0	0	**4**
	Authority to Set Auditor's Fees	15	0	0	0	0	0	**15**
	Financial Statements	25	0	0	0	0	0	**25**
	Ratification of Auditor	906	0	0	2	0	1	**909**
Board Related		**8077**	**59**	**0**	**13**	**0**	**6**	**8155**
	Authority to Fill Director Vacancy w/out Shareholder Approval	0	2	0	0	0	0	**2**
	Authorization of Board to Set Board Size	2	0	0	0	0	0	**2**
	Board Size	2	0	0	0	0	0	**2**
	Change in Board Size	5	0	0	0	0	0	**5**
	Director & Officer Liability/Indemnification	28	0	0	1	0	0	**29**
	Election of Board Committee Members	4	0	0	0	0	0	**4**
	Election of Directors	7971	57	0	12	0	6	**8046**

Issue Code Category	Issue Code Description	With Glass Lewis	Against Glass Lewis	Take No Action	Unvoted	N/A	Mixed	Total
	Election of Directors (Management Board)	2	0	0	0	0	0	**2**
	Election of Directors (Slate)	1	0	0	0	0	0	**1**
	Election of Directors (Slate) Bundled with Other Items	3	0	0	0	0	0	**3**
	Election of Minority or Preferred Shareholder Nominee	1	0	0	0	0	0	**1**
	Election of Non-Audit/Comp/Nom/Gov Committee Members	4	0	0	0	0	0	**4**
	Election of Non-Principal Members (Chairman, alternates)	8	0	0	0	0	0	**8**
	Election of Statutory Auditors	1	0	0	0	0	0	**1**
	Election of Subsidiary Directors	23	0	0	0	0	0	**23**
	Election of Supervisory Board	8	0	0	0	0	0	**8**
	Ratification of Board Acts - Legal	11	0	0	0	0	0	**11**
	Ratification of Management Acts - Legal	3	0	0	0	0	0	**3**
Capital Management		**116**	**0**	**0**	**0**	**0**	**0**	**116**
	Amendment to Authorized Common Stock	2	0	0	0	0	0	**2**
	Amendment to Dual Class Stock	2	0	0	0	0	0	**2**
	Amendment to Par Value	1	0	0	0	0	0	**1**
	Authority to Issue Shares w/ Preemptive Rights	23	0	0	0	0	0	**23**
	Authority to Issue Shares w/o Preemptive Rights	25	0	0	0	0	0	**25**
	Authority to Issue Stock w/ or w/out Preemptive Rights	1	0	0	0	0	0	**1**
	Authority to Repurchase and Re-Issue Shares	1	0	0	0	0	0	**1**
	Authority to Repurchase Shares	16	0	0	0	0	0	**16**
	Authority to Set Offering Price of Shares	8	0	0	0	0	0	**8**
	Cancellation of Authorized Stock	6	0	0	0	0	0	**6**

Issue Code Category	Issue Code Description	With Glass Lewis	Against Glass Lewis	Take No Action	Unvoted	N/A	Mixed	Total
	Conversion of Stock	1	0	0	0	0	0	**1**
	Increase in Authorized Capital	1	0	0	0	0	0	**1**
	Increase in Authorized Common Stock	8	0	0	0	0	0	**8**
	Increase in/Authorization of Dual Class Stock	1	0	0	0	0	0	**1**
	Increase in/Authorization of Preferred Stock	3	0	0	0	0	0	**3**
	Issuance of Common Stock	1	0	0	0	0	0	**1**
	Issuance of Repurchased Shares	2	0	0	0	0	0	**2**
	Misc. Proposal Regarding Capital	1	0	0	0	0	0	**1**
	Reduction in Share Premium Account	5	0	0	0	0	0	**5**
	Reverse Stock Split	3	0	0	0	0	0	**3**
	Stock Split	2	0	0	0	0	0	**2**
	Use/Transfer of Reserves	3	0	0	0	0	0	**3**
Changes to Company Statutes		**143**	**1**	**0**	**1**	**0**	**0**	**145**
	Adoption of Advance Notice Requirement	1	0	0	0	0	0	**1**
	Adoption of Supermajority Requirement	0	0	0	1	0	0	**1**
	Amendments to Articles, Constitution, Bylaws	7	0	0	0	0	0	**7**
	Amendments to Charter/Bylaw - Bundled	9	0	0	0	0	0	**9**
	Approval of Exclusive Forum Provisions	3	0	0	0	0	0	**3**
	Article Amendments - Allow for the Removal of Directors	3	0	0	0	0	0	**3**
	Change in State of Incorporation	9	0	0	0	0	0	**9**
	Company Name Change	1	0	0	0	0	0	**1**
	Elimination of Cumulative Voting	0	1	0	0	0	0	**1**

Issue Code Category	Issue Code Description	With Glass Lewis	Against Glass Lewis	Take No Action	Unvoted	N/A	Mixed	Total
	Elimination of Supermajority Requirement	33	0	0	0	0	0	**33**
	Elimination of Written Consent	1	0	0	0	0	0	**1**
	Limitation of Right to Call a Special Meeting	2	0	0	0	0	0	**2**
	Misc. Article Amendments	31	0	0	0	0	0	**31**
	Reincorporation	2	0	0	0	0	0	**2**
	Repeal of Classified Board	16	0	0	0	0	0	**16**
	Restoration of Right to Call a Special Meeting	22	0	0	0	0	0	**22**
	Restoration of Written Consent	1	0	0	0	0	0	**1**
	Technical Amendments to Charter/Bylaw	2	0	0	0	0	0	**2**
Compensation		**1302**	**3**	**0**	**2**	**0**	**2**	**1309**
	Adoption of Director Equity Compensation Plan	2	0	0	0	0	0	**2**
	Adoption of Employee Stock Purchase Plan	16	0	0	0	0	0	**16**
	Adoption of Equity Compensation Plan	69	1	0	0	0	0	**70**
	Adoption of Restricted Stock Plan	1	0	0	0	0	0	**1**
	Advisory Vote on Executive Compensation	908	0	0	1	0	1	**910**
	Advisory Vote on Severance	26	0	0	0	0	0	**26**
	Amendment to Director Equity Compensation Plan	2	0	0	0	0	0	**2**
	Amendment to Employee Stock Purchase Plan	32	0	0	0	0	0	**32**
	Amendment to Equity Compensation Plan	144	2	0	0	0	1	**147**
	Amendment to Stock Option Plan	1	0	0	0	0	0	**1**
	Amendment to Stock Purchase Plan	1	0	0	0	0	0	**1**
	Capital Proposal to Implement Equity Compensation Plan	2	0	0	0	0	0	**2**

Issue Code Category	Issue Code Description	With Glass Lewis	Against Glass Lewis	Take No Action	Unvoted	N/A	Mixed	Total
	Directors' Fees	2	0	0	0	0	0	**2**
	Directors' Stock Option Plan	2	0	0	0	0	0	**2**
	Non-Executive Remuneration Policy (Forward-Looking)	10	0	0	0	0	0	**10**
	Option Exchange/Repricing	1	0	0	0	0	0	**1**
	Remuneration Policy (Forward-Looking)	5	0	0	0	0	0	**5**
	Remuneration Report (Retrospective)	14	0	0	0	0	0	**14**
	Say When on Pay	58	0	0	1	0	0	**59**
	Stock Option Grants	5	0	0	0	0	0	**5**
	Stock Option Plan	1	0	0	0	0	0	**1**
M&A		**43**	**0**	**0**	**0**	**0**	**0**	**43**
	Merger/Acquisition	39	0	0	0	0	0	**39**
	Misc. Proposal Regarding Restructuring	3	0	0	0	0	0	**3**
	Spin-off	1	0	0	0	0	0	**1**
Meeting Administration		**60**	**0**	**0**	**0**	**0**	**0**	**60**
	Appointment of Independent Proxy (Switzerland)	4	0	0	0	0	0	**4**
	Authorization of Legal Formalities	1	0	0	0	0	0	**1**
	Right to Adjourn Meeting	46	0	0	0	0	0	**46**
	Routine Meeting Item	5	0	0	0	0	0	**5**
	Transact Other Business	4	0	0	0	0	0	**4**
Other		**1**	**0**	**0**	**0**	**0**	**0**	**1**
	Approval of Political Donation	1	0	0	0	0	0	**1**
SHP: Compensation		**7**	**10**	**0**	**0**	**0**	**0**	**17**

Issue Code Category	Issue Code Description	With Glass Lewis	Against Glass Lewis	Take No Action	Unvoted	N/A	Mixed	Total
	SHP Regarding Advisory Vote on Compensation (Say on Pay)	1	0	0	0	0	0	**1**
	SHP Regarding Golden Parachutes	2	2	0	0	0	0	**4**
	SHP Regarding Linking Executive Pay to Social Criteria	0	8	0	0	0	0	**8**
	SHP Regarding Misc. Compensation	1	0	0	0	0	0	**1**
	SHP Regarding Report on Ratio Between CEO and Employee Pay	1	0	0	0	0	0	**1**
	SHP Regarding Restricting Executive Compensation	2	0	0	0	0	0	**2**
SHP: Environment		**49**	**8**	**0**	**2**	**0**	**0**	**59**
	SHP Regarding Bioengineering / Nanotechnology Safety	0	4	0	0	0	0	**4**
	SHP Regarding Climate Lobbying	1	0	0	0	0	0	**1**
	SHP Regarding Environmental Report	13	0	0	1	0	0	**14**
	SHP Regarding Formation of Environmental/Social Committee of the Board	0	4	0	0	0	0	**4**
	SHP Regarding Misc. Energy/Environmental Issues	8	0	0	0	0	0	**8**
	SHP Regarding Report/Action on Climate Change	20	0	0	0	0	0	**20**
	SHP Regarding Reporting and Reducing Greenhouse Gas Emissions	6	0	0	1	0	0	**7**
	SHP Regarding Sustainability Report	1	0	0	0	0	0	**1**
SHP: Governance		**205**	**16**	**0**	**1**	**0**	**1**	**223**
	SHP Minimum Stock Ownership by Directors or Executives	1	0	0	0	0	0	**1**
	SHP Regarding Board Composition	1	0	0	0	0	0	**1**
	SHP Regarding Cumulative Voting	0	7	0	0	0	0	**7**
	SHP Regarding Directors' Roles in Corporate Strategy	1	0	0	0	0	0	**1**
	SHP Regarding Eliminating Supermajority Provisions	15	0	0	1	0	0	**16**
	SHP Regarding Independent Board Chairman/Separation of Chair and CEO	62	8	0	0	0	0	**70**

Issue Code Category	Issue Code Description	With Glass Lewis	Against Glass Lewis	Take No Action	Unvoted	N/A	Mixed	Total
	SHP Regarding Majority Vote for Election of Directors	7	0	0	0	0	0	**7**
	SHP Regarding Misc. Board/Shareholder Rights Issue	18	0	0	0	0	0	**18**
	SHP Regarding Recapitalization	7	0	0	0	0	0	**7**
	SHP Regarding Removal of Directors	1	0	0	0	0	0	**1**
	SHP Regarding Right to Act by Written Consent	37	0	0	0	0	0	**37**
	SHP Regarding Right to Call a Special Meeting	48	0	0	0	0	0	**48**
	SHP Regarding Sale of the Company or Assets	1	0	0	0	0	0	**1**
	SHP Regarding the Declassification of the Board	5	1	0	0	0	1	**7**
	SHP Shareholder Access to the Nomination Process (Proxy Access)	1	0	0	0	0	0	**1**
SHP: Misc		**5**	**0**	**0**	**0**	**0**	**0**	**5**
	SHP: Misc. Issues	5	0	0	0	0	0	**5**
SHP: Social		**68**	**37**	**0**	**0**	**0**	**0**	**105**
	SHP Regarding Animal Welfare	0	2	0	0	0	0	**2**
	SHP Regarding Drug Pricing/Distribution	0	1	0	0	0	0	**1**
	SHP Regarding Misc. Human Capital Management	22	0	0	0	0	0	**22**
	SHP Regarding Misc. Labor Issues/Policies	4	0	0	0	0	0	**4**
	SHP Regarding Misc. Social Issue	7	20	0	0	0	0	**27**
	SHP Regarding Pregnancy/Abortion Issues	0	1	0	0	0	0	**1**
	SHP Regarding Report on EEO	3	0	0	0	0	0	**3**
	SHP Regarding Reporting on Company's Compliance with International Human Rights Standards	14	0	0	0	0	0	**14**
	SHP Regarding Reviewing Charitable Spending	0	12	0	0	0	0	**12**
	SHP Regarding Reviewing Political Spending or Lobbying	18	0	0	0	0	0	**18**

Issue Code Category	Issue Code Description	With Glass Lewis	Against Glass Lewis	Take No Action	Unvoted	N/A	Mixed	Total
	SHP Regarding Tobacco/Alcohol	0	1	0	0	0	0	**1**

MAINEPERS

BOARD OF TRUSTEES INVESTMENTS MEMORANDUM

TO: BOARD MEMBERS

FROM: JAMES BENNETT, CHIEF INVESTMENT OFFICER

SUBJECT: **MONTHLY INVESTMENT REVIEW**

DATE: SEPTEMBER 2, 2026

Following this memo is the Monthly Investment Review for August.

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 $23.1 billion.
- Monthly return of 0.9%.
- Calendar year-to-date return of 6.0%.
- Fiscal year-to-date return of 0.7%.

MainePERS
PUBLIC EMPLOYEES RETIREMENT SYSTEM

Investment Review

September 10, 2026

Investment Policy Objective

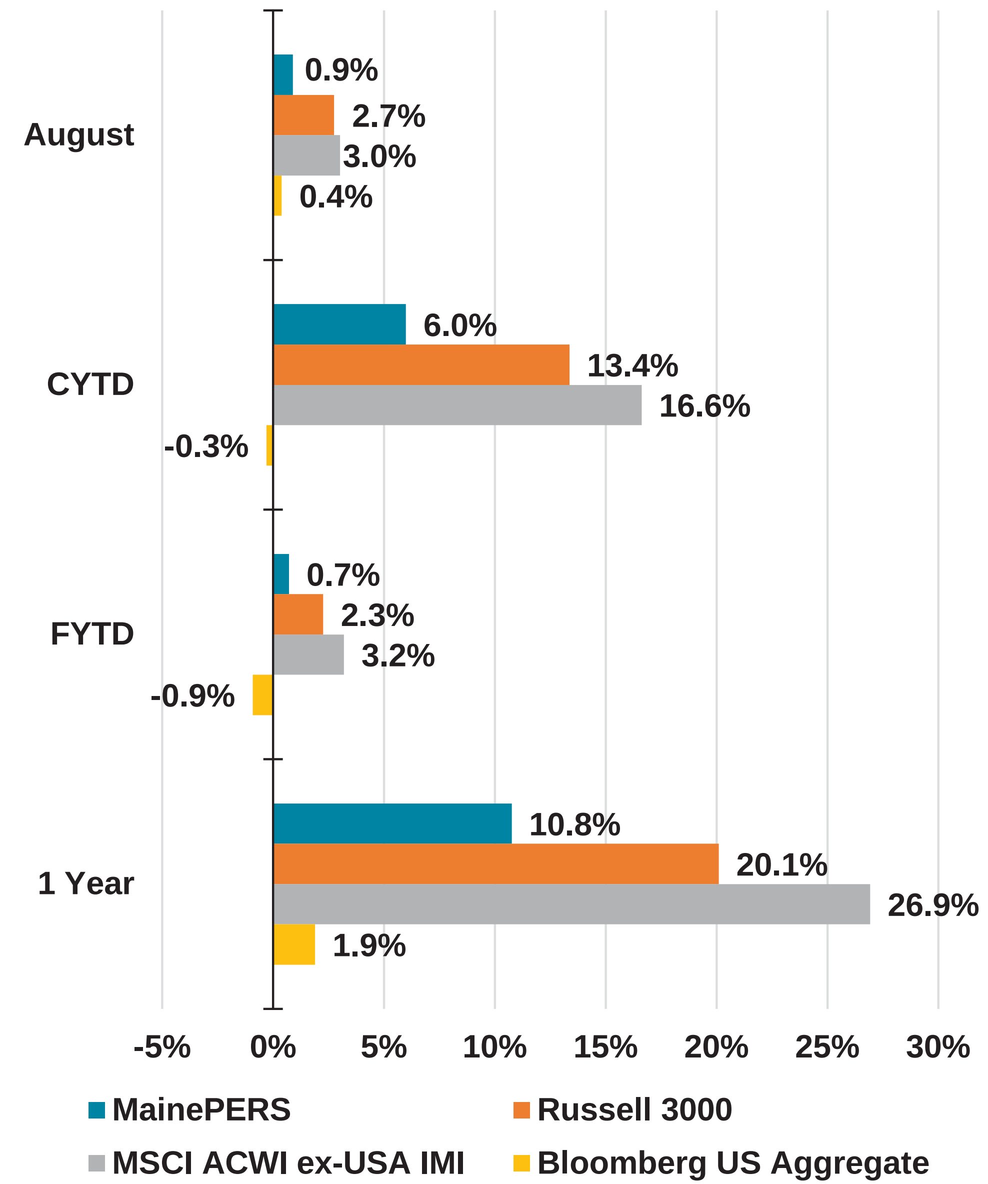
Investment Objective

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.

August 2026 Performance (Preliminary)



CIO Update

Performance

- Global equities continued to advance
- Markets supported by resilient economic growth, strong corporate earnings, and AI optimism
- Private markets reflect Q1 valuations
- $23.1B total assets is new monthly high

Initiatives

- Market Update (Education)
- GLI/OPEB/RHIT Benchmark Change
- Proxy Voting Review

Trustee Meeting with Managers

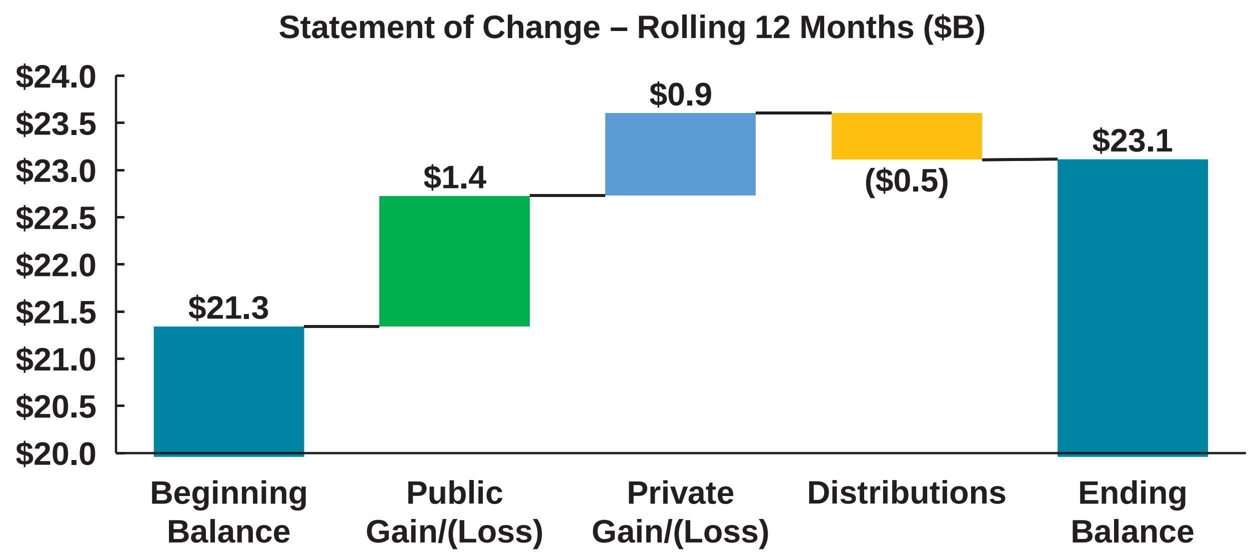
- September 22 | 10:00 a.m. – 12:00 p.m. | Portland
- Minutes from August meeting in "Supplemental Information"

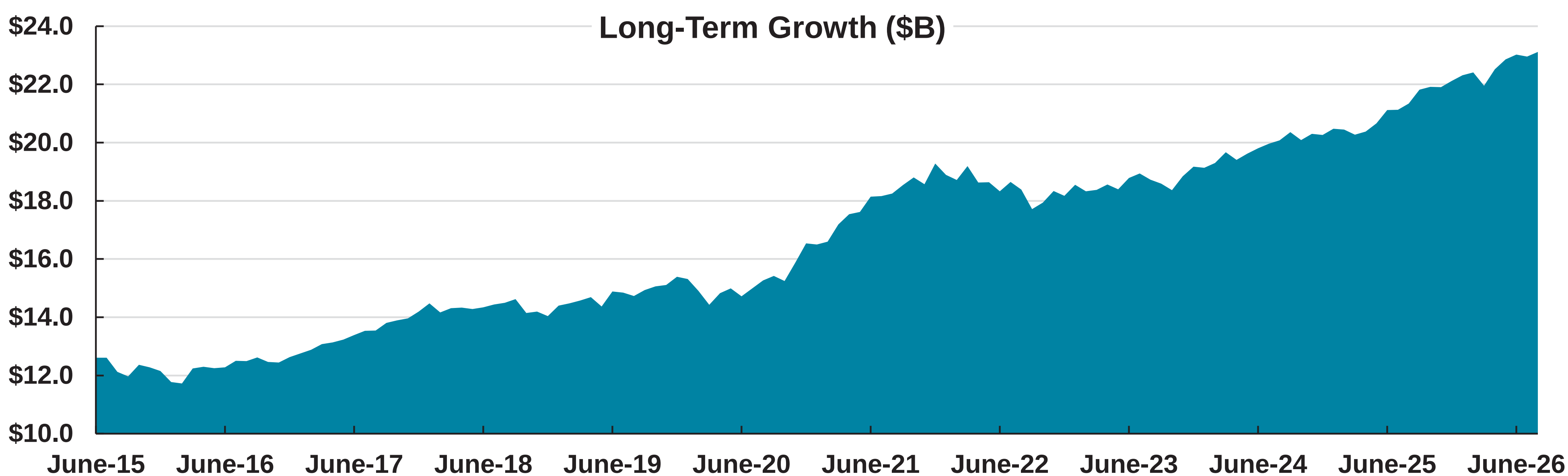
Business and Organizational Updates

- No updates

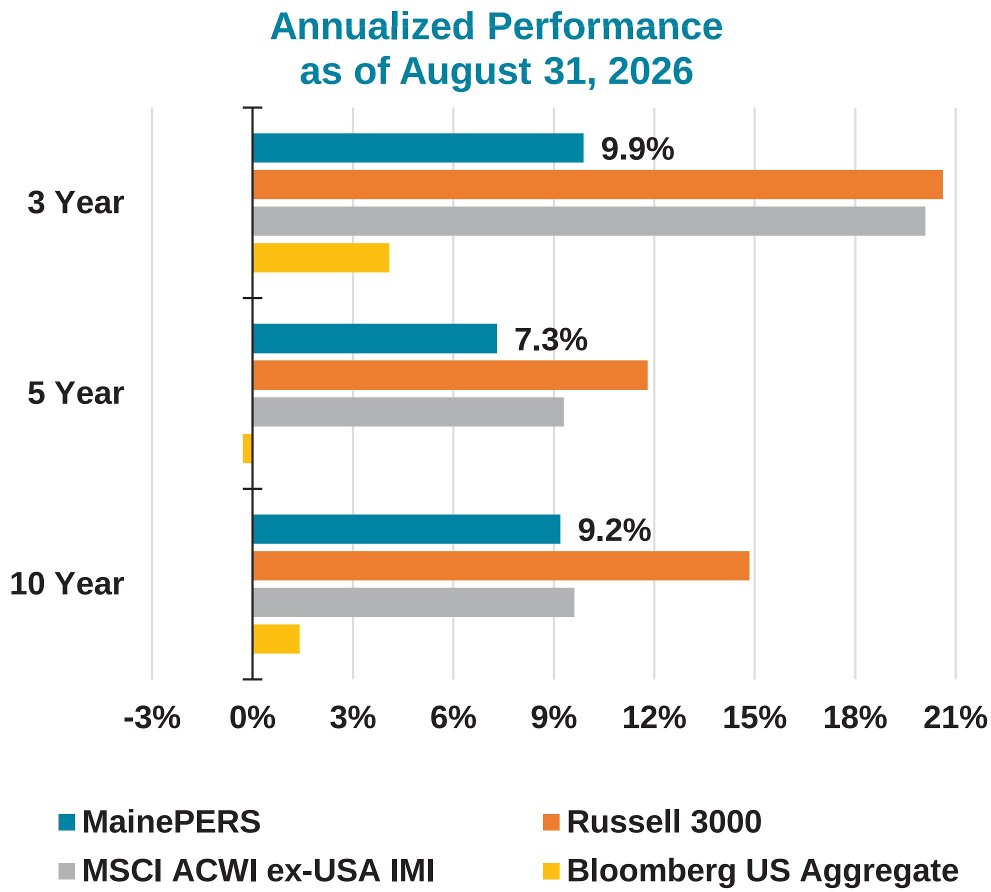
Fund Value – August 2026

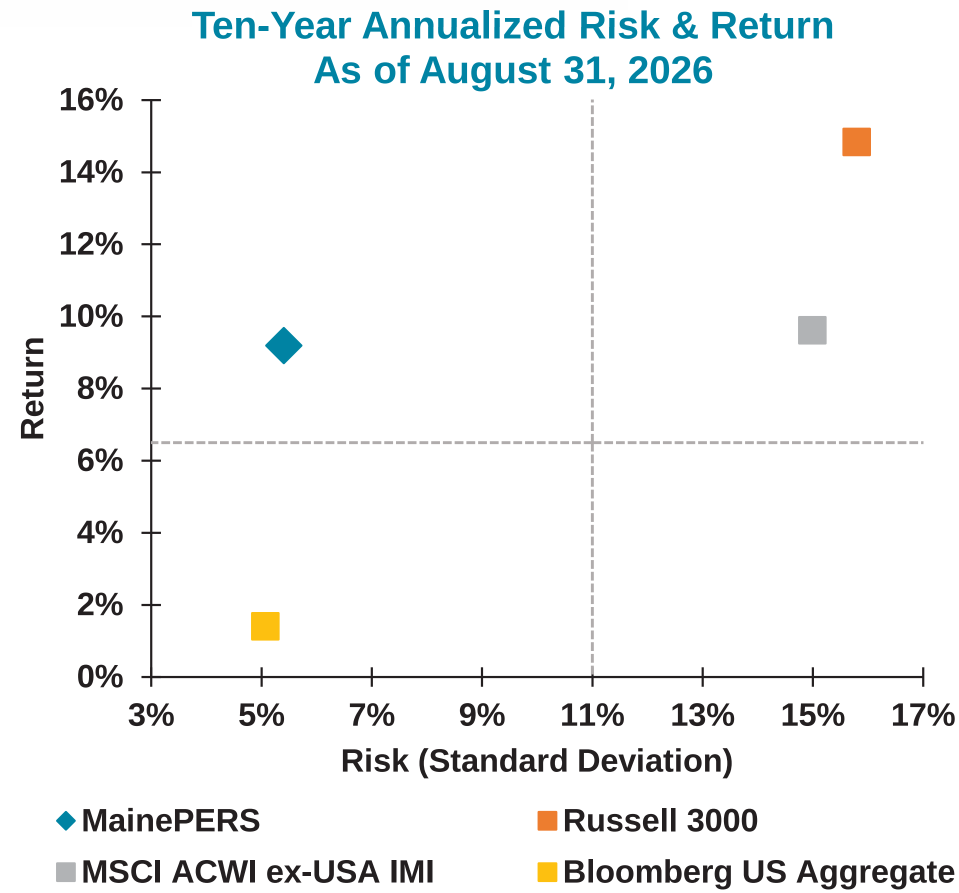
The preliminary fund value at the end of August is $23.1 billion.





Long-Term Performance & Risk



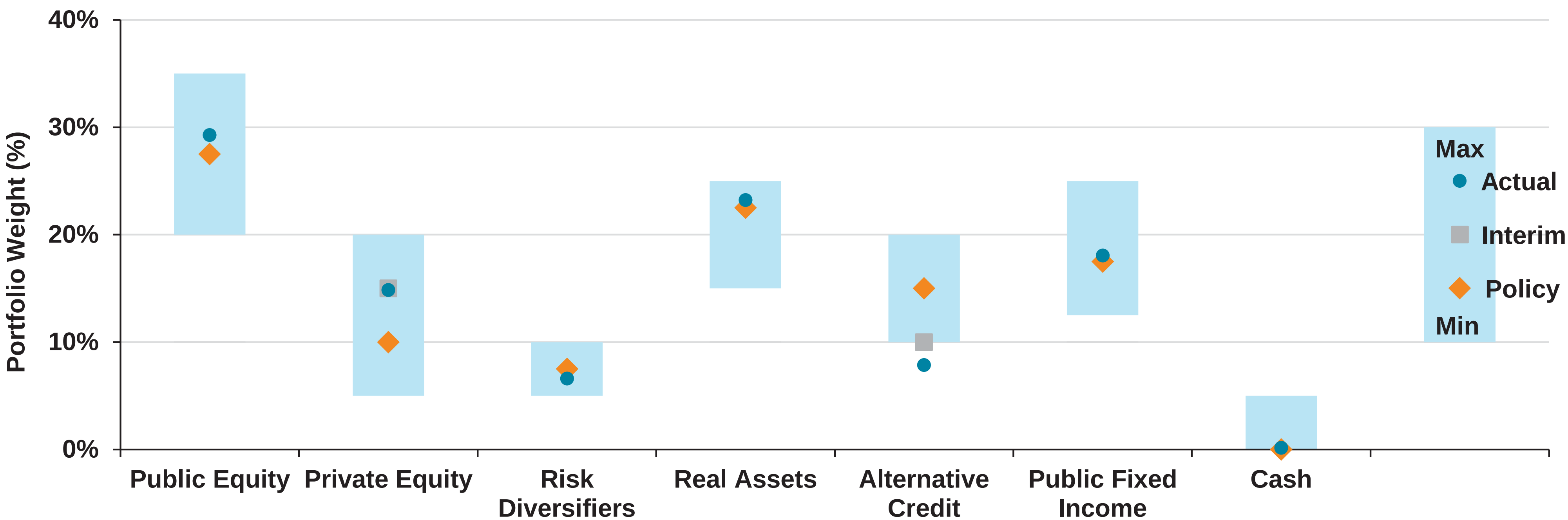


- Fund returns have exceeded the System's discount rate over the long term
- U.S. allocations buoyed MainePERS performance over all periods
- Diversification has resulted in strong risk/return profile over trailing 10 years
  - Substantially lower risk than global equity markets

Asset Allocation (Preliminary) – August 2026

Assets (Millions)	Value	*% of Fund*	Policy %
MainePERS Portfolio	**$23,117**	**100.0%**	**100.0%**
Public Equity	**$6,765**	**29.3%**	**27.5%**
Public Fixed Income	**$4,173**	**18.1%**	**17.5%**
Alternative Credit	**$1,815**	**7.9%**	**15.0%**
Private Equity	**$3,433**	**14.9%**	**10.0%**
Real Assets	**$5,366**	**23.2%**	**22.5%**
Risk Diversifiers	**$1,526**	**6.6%**	**7.5%**
Cash	**$38**	**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 45.9% of the portfolio
  - Below 47.5% policy target



Investment Activity

- **Two new investments closed in August**

MainePERS Private Market Allocations *Past 12 Months*				
Fund	**Board Approval**		**Commitment**	
	Date	**Amount**	**Date**	**Amount**
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
KKR Diversified Core Infrastructure Fund	08/14/25	$ 100,000,000	09/30/25	$ 100,000,000
KKR North America Fund XIV	06/12/25	$ 50,000,000	09/30/25	$ 50,000,000
KKR Global Infrastructure Investors V	08/14/25	$ 25,000,000	09/30/25	$ 25,000,000
Rolling 12-Month Total		**$ 1,344,900,000**		**$ 1,330,460,000**

* ***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

- **One new co-investments closed in August**

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
Alternative Credit	TPG Twin Brook Direct Lending Fund VI	Participation Agreement #1	09/10/25	$ 10,000,000
Rolling 12-Month Total				**$ 61,724,815**

*CV = continuation vehicle

Trustee Meeting with Managers

Tuesday, September 22 | 10:00 a.m. – 12:00 p.m.

Location: Portland Office

Investment	AE Industrial Fund IV	Carlyle Global Infrastructure Opportunity Fund II
Asset Class	**Private Equity**	**Real Assets**
Purpose	**New Investment Opportunity**	**Review Re-Up Opportunity**
Objective	Evaluate middle-market investing ability across aerospace/defense, national security, and industrials.	Review the platform's approach to investing in middle-market companies and real assets
Background	• Manages ~$9.2B across prior vintages and targeting $1.75B in Fund IV • Experienced aerospace team with deep technical expertise and broad industry and federal government network • Focused on market-leading growth, undervalued businesses providing mission-critical products or services, and buy-and-build platforms • Specialization in space companies serving the commercial and government markets	• Manages ~$475B across alternatives strategies • $6B across three infrastructure funds: CGI I flagship and two sustainable energy funds • Extensive investment capabilities operating in an attractive middle-market opportunity set • Targets undervalued businesses in transportation, energy, and digital infrastructure • 100% proprietary deal sourcing backed by deep operating and value creation resources
Relationship	• Newly sourced • First-time investment	• $100M previously committed to CGI I in 2019 ($120M NAV)

Investment Team believes that an investment in either Fund is unlikely to lead to meaningful exposure to stocks, securities, or other obligations of fossil fuel or for-profit prison companies.

Liquidity Schedule: August 2026

Term	Market Value	Percent of Portfolio
Liquid[1]	$11,027m	47.7%
Semi-Liquid[2]	$1,309m	5.7%
Illiquid[3]	$10,781m	46.6%
Total	**$23,117m**	**100.0%**

Sources and Uses of Liquidity

Private Markets Activity	Last 12 Months Actual	Next 12 Months Projection
Capital Contributions	-$1,318m	-$900m
Distributions	$1,723m	$1,580m
Net Private Markets Activity	**$405m**	**$680m**
Benefit Payments	**-$430m**	**-$480m**
Net Cash Flows	**-$25m**	**$200m**

[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) as of 08/31/2026	Current Market Value Dollars	% of Fund	Policy %*	Unfunded Commitment Dollars	% of Fund
Alternative Credit	$ 1,815	7.9%	15.0%	$ 1,307	5.7%
Private Equity	$ 3,433	14.9%	10.0%	$ 1,028	4.4%
Real Assets	$ 5,366	23.2%	22.5%	$ 770	3.3%
Risk Diversifiers	$ 1,526	6.6%	7.5%	$ 101	0.4%
Total Alternatives	**$ 12,140**	**52.5%**	**55.0%**	**$ 3,206**	**13.9%**

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) as of 08/31/2026	Private Market Commitments by Vintage Year 2023	2024	2025	2026	3-Year Average[1]
Alternative Credit	$ 80	$ 175	$ 843	$ 625	$ 366
Private Equity	$ 71	$ 274	$ 123	$ 100	$ 156
Real Assets	$ 140	$ 60	$ 225	$ -	$ 142
Total Commitments	**$ 291**	**$ 509**	**$ 1,191**	**$ 725**	**$ 664**

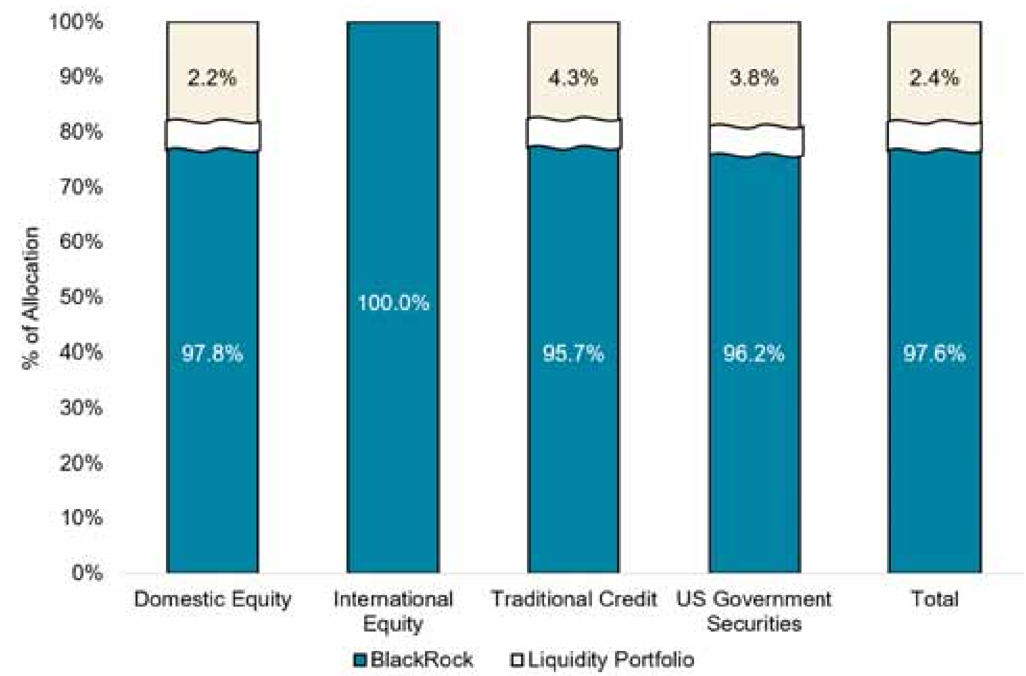
[1]3-Year Average: 2022-2025

Supplemental Information

Public Securities: Liquidity Portfolio

At the end of August, 1.1% of Fund assets were invested via ETFs and futures contracts in accounts managed by Parametric Associates.

The Liquidity Portfolio accounts for 2.4% of MainePERS' total exposure to public securities.



MainePERS Liquidity Portfolio	Market Value (Millions)	Exposure Type
Parametric Domestic Equity	$94.3	Futures
Parametric International Equity	$0.0	Futures
Parametric Traditional Credit	$72.1	ETFs
Parametric US Government Securities	$94.5	Futures
Total Liquidity Portfolio	**$261.0**	

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: August 2026

Description	FY 27	FY 26	FY 25	FY 24	FY 23
Investment Mgmt. Fees	$21,158,440	$126,950,641	$129,093,633	$131,940,081	$135,770,817
Securities Lending Fees [1]	200,393	1,430,640	1,100,903	1,356,735	1,303,543
Consulting Fees	202,500	1,224,532	1,215,000	1,215,000	1,193,543
Broker Commissions [2]	8,590	124,633	120,217	77,495	136,039
Placement Agent Fees	0	0	0	0	0
Total	**$21,569,923**	**$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 7/31/2026
2. Actual paid commissions reported by JP Morgan
3. For FY27: Total fees projected for the full fiscal year ($129,419,538) divided by current Fund value.
   For prior FY: Total fees divided by FYE Fund value.

Strategy Allocations (Preliminary) – August 2026

Assets (Millions)	Value	% of Fund	Policy %
MainePERS Portfolio	$23,117	100.0%	100.0%
Public Equity	$6,765	29.3%	27.5%
Domestic Equity	*$4,300*	*18.6%*	*17.2%*
International Equity	*$2,465*	*10.7%*	*10.3%*
Public Fixed Income	$4,173	18.1%	17.5%
Alternative Credit	$1,815	7.9%	15.0%
Private Equity	$3,433	14.9%	10.0%
Real Assets	$5,366	23.2%	22.5%
Infrastructure	*$2,358*	*10.2%*	
Real Estate	*$1,933*	*8.4%*	
Special Opportunities	*$1,074*	*4.6%*	
Risk Diversifiers	$1,526	6.6%	7.5%
Cash	$38	0.2%	0.0%

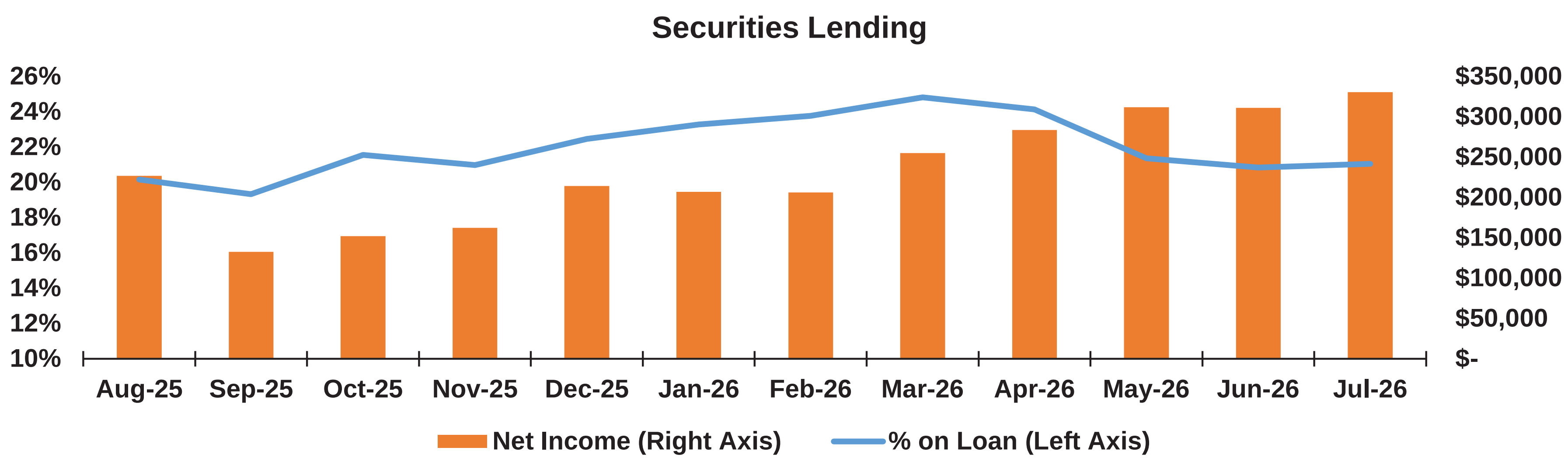
*Allocation between Domestic Equity and International Equity corresponds to MSCI ACWI IMI weights.

Securities Lending: July 2026

	Average Lendable Assets	Average Assets On Loan	Total Sec Lending Revenue	Revenue Split	MainePERS Net Income	MainePERS Net Income, FYTD
BlackRock						
Fixed Income	$3,186,077,662	$1,664,147,624	$265,493	60%/40%	$159,296	$159,296
Total Equity	$2,215,325,132	$216,604,978	$246,659	60%/40%	$155,264	$155,264
Total Blackrock	$5,401,402,794	$1,880,752,602	$512,152		$314,560	$314,560
JP Morgan						
Domestic Equities	$3,905,802,269	$77,957,532	$18,684	85%/15%	$15,884	$15,884
Total JP Morgan	$3,905,802,269	$77,957,532	$18,684		$15,884	$15,884
Total	**$9,307,205,063**	**$1,958,710,134**	**$530,836**		**$330,444**	**$330,444**

Total Annualized Securities Lending Income, FY 2027: $3,965,318 (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 08/31/2026	# of Funds	# of GP Relationships
Alternative Credit	33	17
Private Equity	139	36
Real Assets	90	39
Risk Diversifiers	15	13
Total*	**277**	**96**

*GP Total may not add due to overlapping relationships

Currently, MainePERS is invested in 277 funds, and has 96 distinct manager relationships.

Minutes

Investment Manager Meeting
August 25, 2026

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

Minutes

Investment Manager Meeting
August 25, 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 9:00 a.m. on August 25, 2026: Shirrin Blaisdell, John Kimball and Joe Perry, State Treasurer. Joining the Trustees were Dr. Rebecca Wyke, Chief Executive Officer; James Bennett, Chief Investment Officer; Scott Lupkas, Deputy Chief Investment Officer; Nanette Ardry, General Counsel; Ella Braaten, Deputy General Counsel; 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 and Peter Sung, Albourne; Ion Yadigaroglu, Capricorn; Alex Turkeltaub, Lekan Wang, and Daniela Kucz, JSL; and Ryan Brauns, Kara Herskowitz, and Ted Weld, Ares.

The meeting was called to order at 9:02 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 (Blaisdell and Kimball) attended in person.

- Action. John Kimball made the motion, seconded by Joe Perry, 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 three Trustees (Blaisdell, Kimball, Perry).

The Board moved into executive session at 9:02 a.m.

The Board moved out of executive session at 12:13 p.m.

The meeting adjourned at approximately 12:13 p.m.

Ella Braaten

Ella Braaten
Deputy General Counsel
August 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%

(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
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

(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
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.

MaineSTART Quarterly Review

For the Quarter Ending 6/30/2026

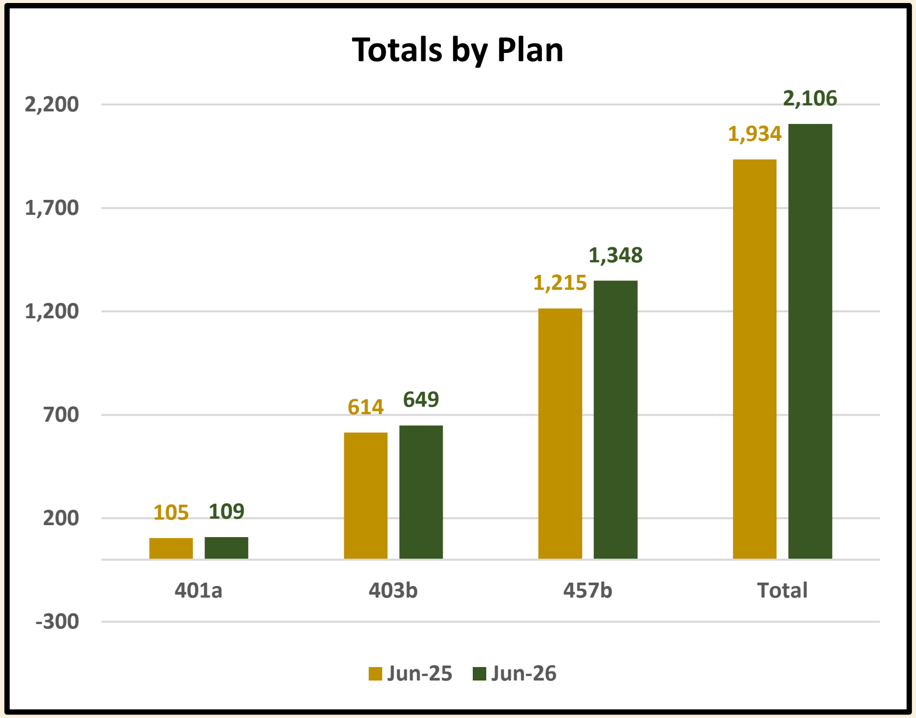
MaineSTART Review

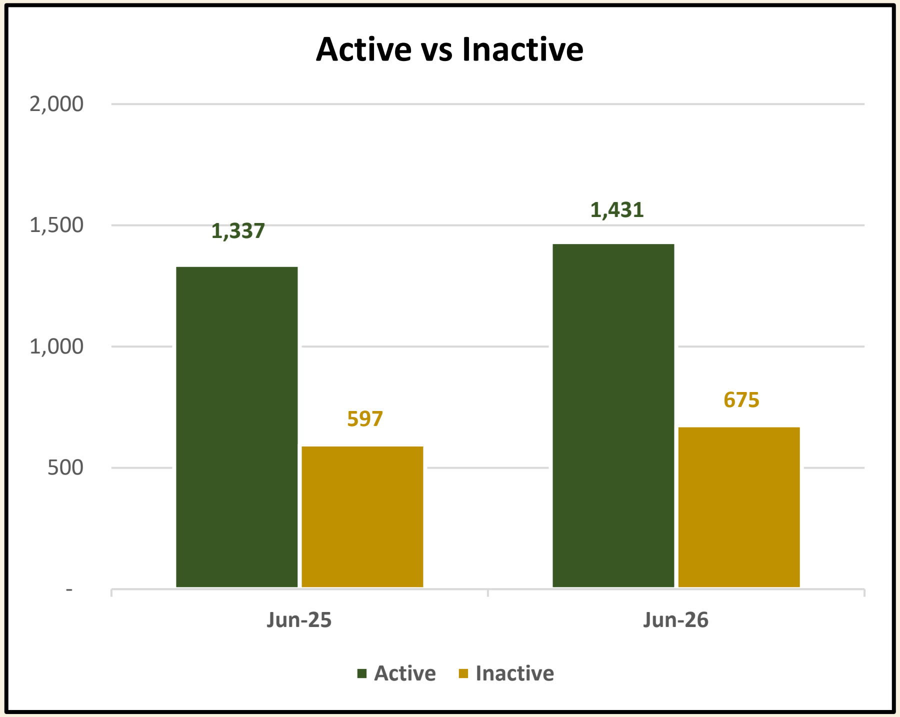
Overview of MaineSTART

- **401(a) Defined Contribution Plan**
  - **Qualified Plan**
  - **Higher Contribution Limits**
  - **Inflexible**
- **403(b) Tax-Sheltered Annuity Plan**
  - **Only for Educational and Certain Non-Profit Organizations**
  - **Flexible**
- **457(b) Deferred Compensation Plan**
  - **Flexible**

MaineSTART Review 2Q 2026

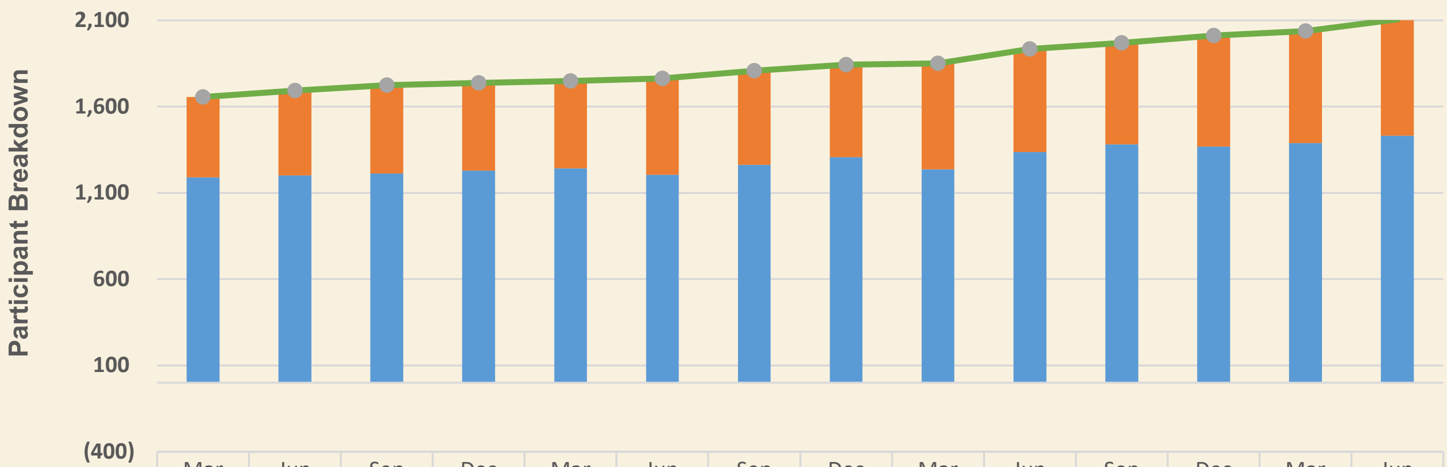
Participants





MaineSTART Review 2Q 2026

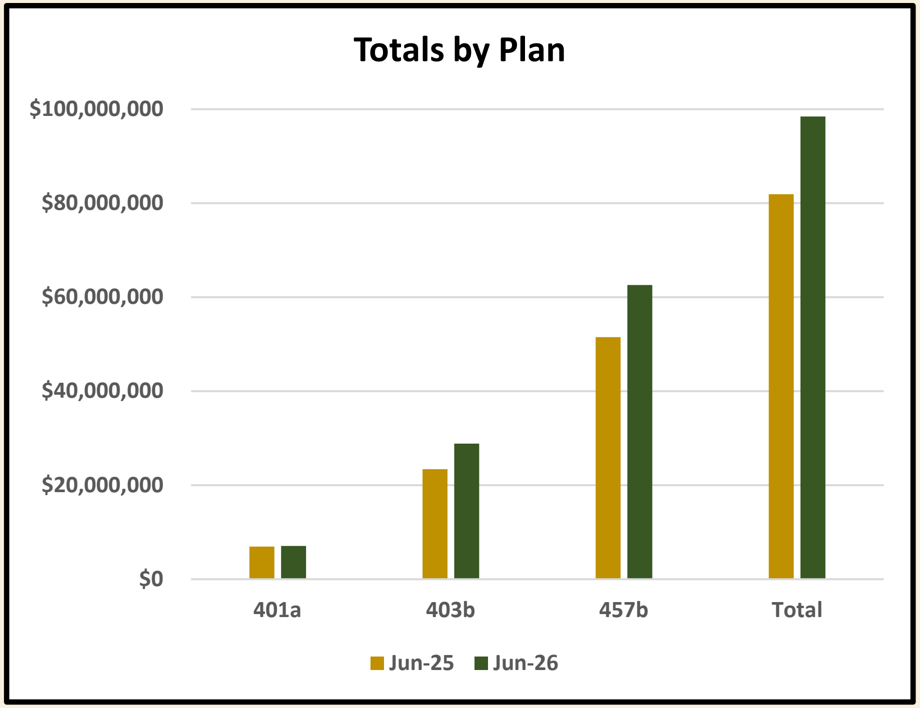
Breakdown of MaineSTART Participants Quarterly by CY

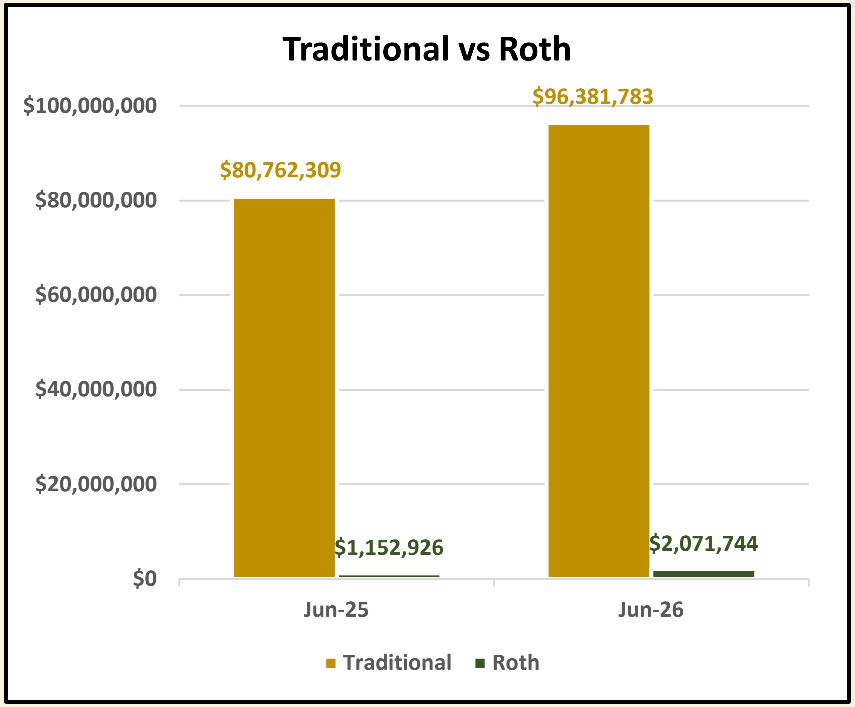


	Mar 2023	Jun 2023	Sep 2023	Dec 2023	Mar 2024	Jun 2024	Sep 2024	Dec 2024	Mar 2025	Jun 2025	Sep 2025	Dec 2025	Mar 2026	Jun 2026
Inactive Participants	465	491	513	508	507	558	545	536	614	597	588	644	650	675
Active Participants	1,191	1,202	1,212	1,229	1,242	1,205	1,263	1,307	1,237	1,337	1,381	1,368	1,388	1,431
Total Participants	1,656	1,693	1,725	1,737	1,749	1,763	1,808	1,843	1,851	1,934	1,969	2,012	2,038	2,106

MaineSTART Review 2Q 2026

Market Value





MaineSTART Review 2Q 2026

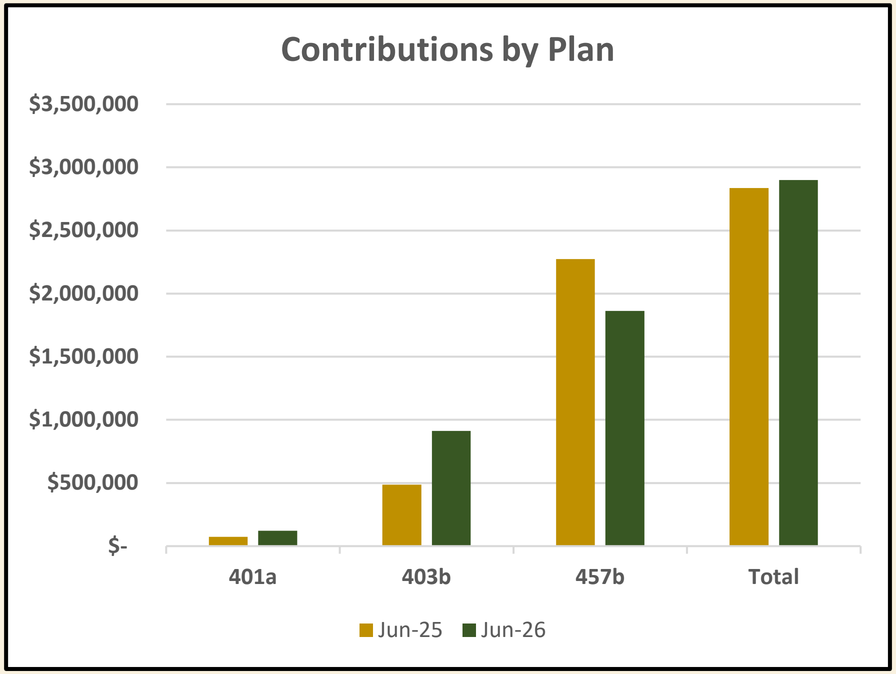
Participation and Values as of 06/30/2026

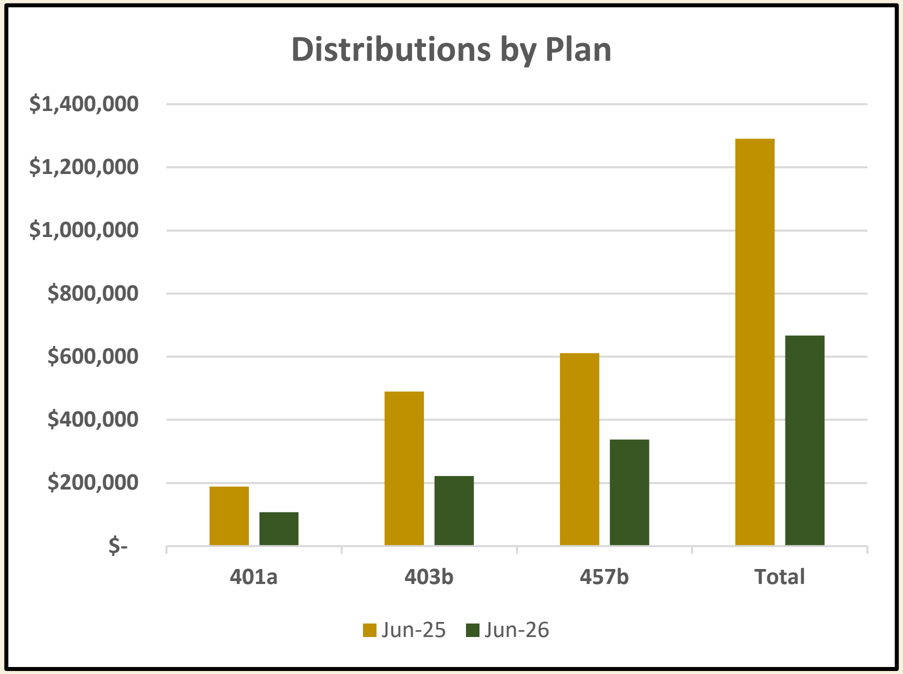
	401(a)	403(b)	457(b)	Total	Change from 06/30/2025
Participating Employers	7	1	91	99*	9
Participating Employees	109	649	1348	2106	172
Total Market Value	$7,051,186	$28,833,593	$62,568,748	$98,453,527	$16,538,293

*27% of PLDs

MaineSTART Review 2Q 2026

Cash Flows





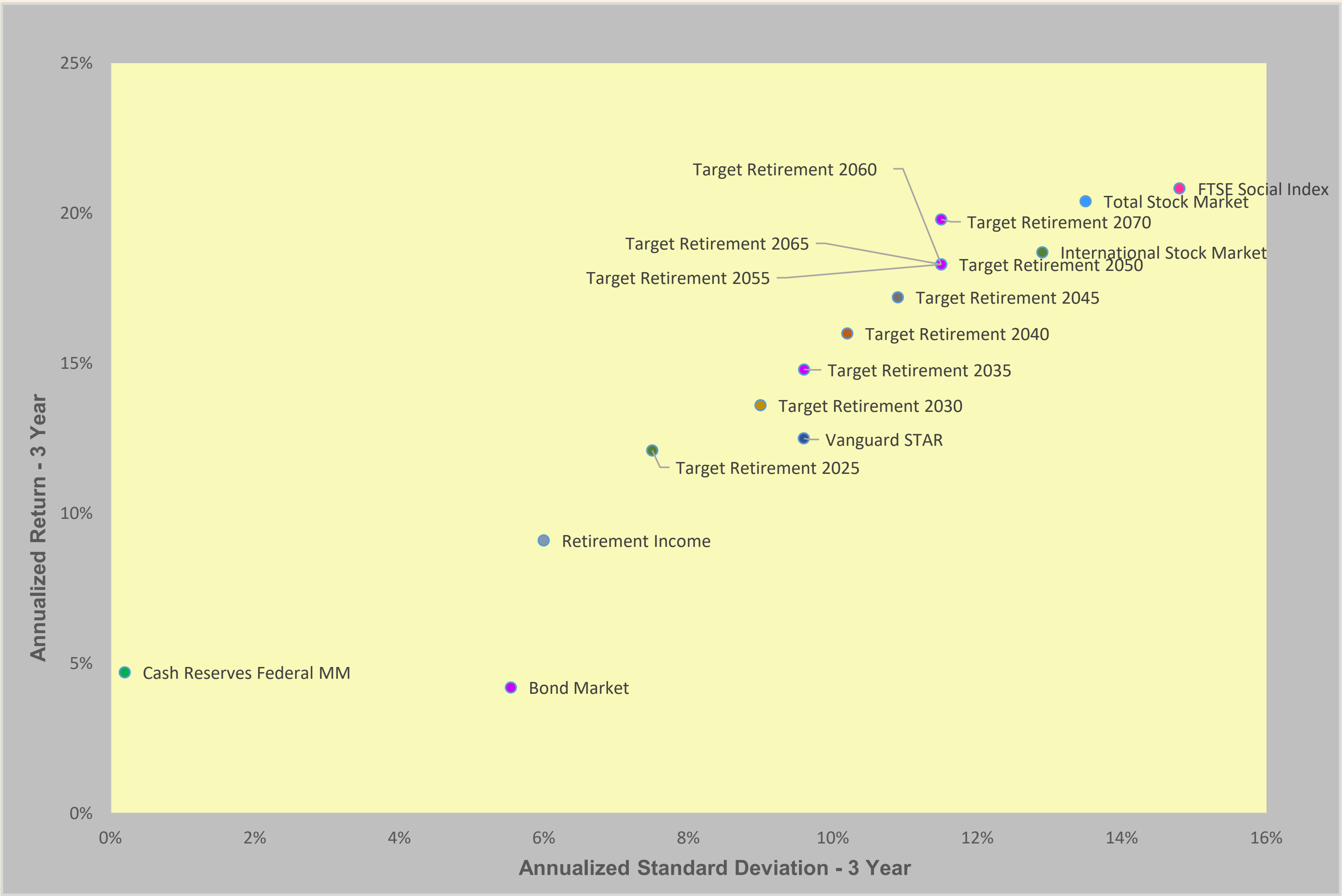
MaineSTART Review 2Q 2026

MaineSTART Investment Options

Fund	Expense Ratio
Target Retirement	
Vanguard Target Retirement 2025	0.08%
Vanguard Target Retirement 2030	0.08%
Vanguard Target Retirement 2035	0.08%
Vanguard Target Retirement 2040	0.08%
Vanguard Target Retirement 2045	0.08%
Vanguard Target Retirement 2050	0.08%
Vanguard Target Retirement 2055	0.08%
Vanguard Target Retirement 2060	0.08%
Vanguard Target Retirement 2065	0.08%
Vanguard Target Retirement 2070	0.08%
Vanguard Target Retirement Income	0.08%
US Equity	
Vanguard Total Stock Market Index	0.03%
Vanguard FTSE Social Index	0.13%
Non-US Equity	
Vanguard Total International Stock Index	0.09%
Balanced	
Vanguard STAR	0.30%
Fixed Income	
Vanguard Total Bond Market Index	0.04%
Cash	
Vanguard Cash Reserves Federal Money Market	0.10%

MaineSTART Review 2Q 2026

Risk vs Reward



MaineSTART Review 2Q 2026

Performance of Target Date Funds

Total Fund	$ 98,453,527	% Total	Quarter	1 Yr	3 Yrs	5 Yrs	10 Yrs
Target Retirement Funds							
Target Retirement 2025	$ 18,964,214	19.3%	7.2%	13.6%	12.1%	5.8%	8.2%
Target Retirement 2025 Benchmark			6.9%	13.6%	12.2%	61%	8.5%
Target Retirement 2030	$ 110,853	0.1%	8.7%	15.9%	13.6%	6.8%	9.1%
Target Retirement 2030 Benchmark			8.8%	15.9%	13.7%	7.0%	9.4%
Target Retirement 2035	$ 21,579,033	21.9%	9.8%	17.6%	14.8%	7.1%	10.0%
Target Retirement 2035 Benchmark			9.6%	17.6%	14.9%	7.8%	10.3%
Target Retirement 2040	$ 128,059	0.1%	10.7%	19.3%	16.0%	8.4%	10.8%
Target Retirement 2040 Benchmark			10.8%	19.2%	16.1%	8.6%	11.1%
Target Retirement 2045	$ 14,249,324	14.5%	11.7%	21.0%	17.2%	9.2%	11.5%
Target Retirement 2045 Benchmark			11.5%	20.9%	17.2%	9.4%	11.8%
Target Retirement 2050	$ 49,845	0.05%	12.7%	22.7%	18.3%	9.9%	11.9%
Target Retirement 2050 Benchmark			12.8%	22.5%	18.4%	10.1%	12.2%

Tracking Error for all funds remains within expected ranges given market volatility.

MaineSTART Review 2Q 2026

Performance of Target Date Funds (Continued)

Total Fund	$ 98,453,527	% Total	Quarter	1 Yr	3 Yrs	5 Yrs	10 Yrs
Target Retirement Funds							
Target Retirement 2055	$ 4,782,426	4.9%	12.8%	22.8%	18.3%	9.9%	11.9%
Target Retirement 2055 Benchmark			12.9%	22.5%	18.4%	10.1%	12.2%
Target Retirement 2060	$ 49,734	0.05%	12.8%	22.8%	18.3%	9.9%	11.9%
Target Retirement 2060 Benchmark			12.8%	22.6%	18.4%	10.1%	12.2%
Target Retirement 2065	$ 1,410,535	1.4%	12.8%	22.8%	18.3%	9.9%	
Target Retirement 2065 Benchmark			12.8%	22.6%	18.3%	10.1%	12.2%
Target Retirement 2070	$ 3,814	0%	12.8%	22.8%	18.3%		
Target Retirement 2070 Benchmark			12.8%	22.6%	18.4%	10.1%	12.2%
Target Retirement Income	$ 3,920,556	4.0%	5.0%	9.7%	9.1%	4.1%	5.4%
Target Retirement Income Benchmark			5.0%	9.8%	9.2%	4.2%	5.5%

Tracking Error for all funds remains within expected ranges given market volatility.

MaineSTART Review 2Q 2026

Performance of Index and Balanced Funds

Total Fund	$ 98,453,527	% of Total	Quarter	1 Yr	3 Yrs	5 Yrs	10 Yrs
US Equity							
Total Stock Market Index	$ 19,137,621	19.5%	15.7%	23.2%	20.4%	12.2%	15.0%
Dow Jones Total Stock Market Index			15.7%	23.1%	20.4%	12.2%	15.0%
FTSE Social Index	$ 2,023,486	2.0%	18.3%	21.3%	20.8%	12.5%	
FTSE4Good US Select Index			8.9%	21.4%	20.9%	12.5%	
Non-US Equity							
Total International Stock Index	$ 4,004,511	4.0%	12.0%	27.4%	18.7%	8.8%	9.9%
Total International Stock Index			12.0%	27.4%	18.7%	8.8%	9.9%
Balanced							
STAR	$ 2,352,574	2.4%	8.8%	14.8%	12.5%	5.5%	9.4%
STAR Composite Index			9.8%	16.8%	15.0%	8.0%	9.1%
Fixed Income							
Total Bond Market Index	$ 1,995,981	2.0%	0.7%	3.7%	4.2%	0.1%	1.5%
Bloomberg U.S. Aggregate Bond Index			0.7%	3.8%	4.2%	0.1%	1.5%
Total Cash							
Cash Reserves Federal Money Market	$ 3,690,961	3.8%	0.9%	3.9%	4.7%	3.6%	2.4%
Citigroup 90 Day T-Bill Index			0.9%	3.8%	4.6%	3.5%	2.3%

Tracking Error for all funds remains within expected ranges.

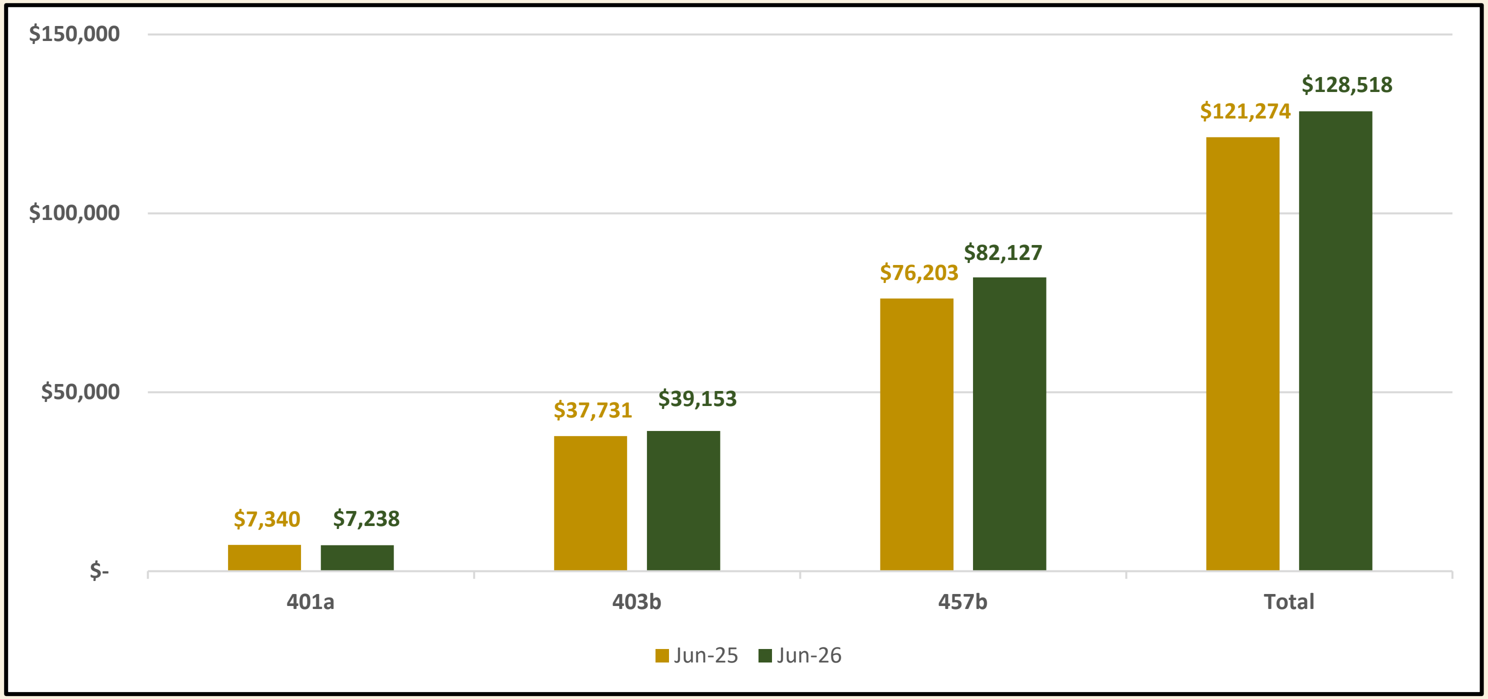
MaineSTART Review 2Q 2026

Investment Option Fees

Fund Name	Ticker	Market Value	MaineSTART Expense Ratio	Next Threshold Amount	Next Expense Ratio
Vanguard Total Stock Market Index	VITSX	$19,137,621	0.03%	$100,000,000	0.02%
Vanguard Total International Stock Index	VTIAX	$4,004,511	0.09%		
Vanguard STAR	VGSTX	$2,352,574	0.30%		
Vanguard FTSE Social Index	VFTAX	$2,023,486	0.13%	$5,000,000	0.12%
Vanguard Target Retirement 2025	VTTVX	$18,964,214	0.08%		
Vanguard Target Retirement 2030	VTHRX	$110,853	0.08%		
Vanguard Target Retirement 2035	VTTHX	$21,579,033	0.08%		
Vanguard Target Retirement 2040	VFORX	$128,059	0.08%		
Vanguard Target Retirement 2045	VTIVX	$14,249,324	0.08%		
Vanguard Target Retirement 2050	VFIFX	$49,845	0.08%		
Vanguard Target Retirement 2055	VFFVX	$4,782,426	0.08%		
Vanguard Target Retirement 2060	VTTSX	$49,734	0.08%		
Vanguard Target Retirement 2065	VLXVX	$1,410,535	0.08%		
Vanguard Target Retirement 2070	VSVNX	$3,814	0.08%		
Vanguard Retirement Income	VTINX	$3,920,556	0.08%		
Vanguard Total Bond Market Index	VBTLX	$1,995,981	0.04%		
Vanguard Cash Reserves Federal MM	VMRXX	$3,690,961	0.10%		
.		$98,453,527			

MaineSTART Review 2Q 2026

Participant Fees



Notes:

- Participants pay an annual fee of $47 and 3 bps on assets to Ascensus
- Investment management fees vary depending on the fund selection
- Annual Administrative Fees of $300,400 are assessed through PLD payrolls at 0.033%

MaineSTART Outreach Statistics 2Q 2026

Participant Meetings	**316**
In-Person	215
Remote	6
Phone	95
Teacher Employer	**20**
Emails	15
Remote	2
Phone	3
PLD Employer	**49**
Emails	36
Remote	3
Phone	10

- Participant Outreach Calendar Year 2026, ytd: 888. This is the total from this quarter, 385, added to the total from Q1 of 503.
- Participant Outreach Calendar Year 2025: 1,636
- Participant Outreach Calendar Year 2024: 1,264
- Participant Outreach Calendar Year 2023: 1,514

MaineSTART Review 2Q 2026

Compliance and Operations

- Following prior Trustee approval, MainePERS added the Vanguard Target Retirement 2030, 2040, 2050, 2060, and 2070 Funds to those available for member elections effective April 1, 2026. Participant data for those funds is now included in this quarter's report for the first time.
- Trustees at their August meeting adopted changes to the MaineSTART 403(b) plan documents and authorized the Chief Executive Officer and the Chief Operations Officer and General Counsel to sign any documents related to effecting this action. Those changes are to conform with federal law and to restate the 403(b) plan document.
- Welcomed 4 large employers to MaineSTART: Washington Academy, City of Saco, Lincoln County, and Lincoln & Sagadahoc Multi-County Jail Authority. The City of Biddeford was added at the end of last quarter.

MAINEPERS

BOARD OF TRUSTEES MEMORANDUM

TO: BOARD MEMBERS

FROM: DR. REBECCA M. WYKE, CEO

SUBJECT: CEO REPORT

DATE: AUGUST 31, 2026

Board Education Plan

MainePERS offers a variety of educational opportunities to support the Trustees in maintaining current knowledge of programs and services, as well as issues facing the System. Attached is a memorandum outlining the Board Education Plan for 2025-2026. The plan incorporates the Trustee educational requests from the Board's self-evaluation. We invite Trustees to let us know if they would like the opportunity to attend one of the seminars offered by our national associations in the coming year. We also invite Trustees to request education on specific items of interest.

Enterprise Risk Management

General Counsel Nanette Ardry will provide the Board with an update on the Enterprise Risk Management Program presented to the Board's Finance and Audit Committee in August. Attached is the memorandum and accompanying materials.

Mission Moment – Preliminary to Final Benefit Update

Chip Gavin, Chief Operating and Services Officer, and Steven Smith, Retirement Services Business Leader for the State Employee Plan, will present a mission moment to the Board regarding the progress on eliminating the backlog in moving retired members from a preliminary to a final benefit. Attached is a copy of their presentation.

MainePERS Board Education Plan
Board Policy 1.8 - Trustee Education
September 2026

MainePERS Sponsored Board Education
New Trustee Orientation delivered by staff with Board engagement *(as needed)*
Quarterly Investment Education delivered by staff and/or investment consultants
Annual Fiduciary Education delivered by staff, Board counsel and governance consultant
Annual Governance Education delivered by governance consultant
Annual Actuarial Practices Education delivered by actuary
Annual Divestment Review delivered by staff
Annual Succession Readiness delivered by staff
Annual Enterprise Risk Management Review delivered by staff
Periodic Pension Administration System Updates delivered by staff
Biennial Implicit Bias Education delivered by consultant

Ad-hoc Board Education requested for 2026-2027
Legislative Process: Background, historical context, and impacts on MainePERS, including benefit-setting considerations to be delivered by staff

Artificial Intelligence (AI): Opportunities, risks, and potential applications for MainePERS to be delivered by staff

Portfolio Risk Measurement: Risk identification, measurement, and quantification practices to be delivered by staff and investment consultants

Peer Practices: Comparative insights from other retirement systems on governance, operations, and emerging issues to be delivered by staff and governance consultants

Mission Moments
Staff provide periodic mission moments to introduce the Board to various programs and services administered by MainePERS. Topics over the past few years have included the service retirement program, the disability retirement program, the appeals program, group life insurance, the preliminary to final benefit process, an introduction to the state-sponsored special plans, the actuarial impact of benefit changes, new and mid-career online member education, the member annual account summary, the member benefit estimator, the member portal features, investment team daily operations, the communications program, business continuity planning, artificial intelligence policy and use, and the development of the new pension administration system.

Pension Plan Fundamentals

One of a Kind! A Practical Guide for 21st Century Public Pension Trustees

Trustee iPads have access to the Kindle e-book, *One of a Kind! A Practical Guide for 21st Century Public Pension Trustees by* Funston Advisory Services LLC, a nationally known advisor for public retirement systems. The book covers a range of topics relevant to the role of public pension Trustees, including pension plan fundamentals such as: public pension policy, governance, enterprise strategy and risk intelligence, investment oversight, and reporting requirements.

Introduction to Investing

Cambridge Associates

Trustee iPads have a link in Govenda to a series of short, educational videos and written content that provide an overview of the core elements of investing, how Cambridge Associates develops and builds portfolios, and common asset classes used in portfolio construction.

National Conference on Public Employee Retirement Systems

Trustee Essentials Training – May 15-16, 2027, New York, NY

The seminar offers trustees an opportunity to build and strengthen their foundational knowledge of pensions and governance. This two-day program is designed with a clear focus on the educational needs of trustees who are new to a public pension plan board. The curriculum centers on investing principles, understanding actuarial science, board policies, and fundamental concepts that every trustee should know. Sample of agenda items: history and mechanics of the defined benefit plan; understanding actuarial science; time value of money; setting the discount rate; asset allocation; fiduciary laws; alternative investments; private equity.

National Council on Teacher Retirement

Annual Trustee Workshop - 2027 date & location TBD

The NCTR Trustee Workshop is developed with input from board trustees on the NCTR Trustee Education Committee. The program is designed by and for public pension board trustees. Workshop agenda items offer a wide range of educational content for both new and experienced trustees. Sample of agenda items: fiduciary duties; ESG investment factors; cyber security; future of pension funds; alternative investments; public equity and fixed income investments; federal relations update; interrelationships between defined benefit and defined contribution plans.

MAINEPERS

BOARD OF TRUSTEES MEMORANDUM

TO: BOARD MEMBERS

FROM: NANETTE ARDRY, GENERAL COUNSEL

SUBJECT: ENTERPRISE RISK MANAGEMENT REPORT

DATE: AUGUST 20, 2026

In 2023 we implemented an Enterprise Risk Management Program that includes management reporting at least annually to the Finance and Audit Committee on the significant risks facing the System and the steps taken to mitigate the risks. Attached to this memo is the register of risks identified by the senior management team. Also attached is a red-lined version showing changes from last year.

The top risks facing the System remain the same as reported last year. They are:

1. Data breach;
2. Failure to make benefit payments;
3. Fraud or theft; and
4. Errors in calculating benefits and contributions.

The register includes mitigation steps in place and further steps to be taken for these and the other identified risks. We look forward to discussing these with the Committee and answering any questions.

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

RECOMMENDATION

No Board action is required at this time.

Preliminary to Final Benefit Initiative

September 2026

Chip Gavin, Chief Operating and Services Officer, and
Steven Smith, Retirement Services Business Leader, State Plan

MainePERS
PUBLIC EMPLOYEES RETIREMENT SYSTEM

Background and definition

What is a Preliminary to Final Benefit and why does it exist?

- To ensure members receive a benefit in the same month they retire, which does not happen at all systems.
- Preliminary benefit amounts are based on the estimate provided to the member prior to retirement.
- After further diligence and receipt of final payroll records from employers, each person receiving a preliminary benefit is then later “finalized” or notified of and paid their official, final benefit amount.
- MainePERS also pays any retroactive amount due to each person and any interest that is due to each person.
- This pending queue of benefits waiting to be finalized is referred to as Preliminary to Final Benefit (or PB2F).

Background and definition

Why are we talking about this?

- Emerging from the Pandemic, MainePERS experienced staffing turnover and processing challenges which ultimately contributed to the creation of a significant pending queue of preliminary benefits.
- MainePERS continued to retire individuals on time and begin paying a preliminary benefit on time, but the work of finalizing benefits grew.
- There has been a multi-year effort to reduce this pending queue to operational working levels.
- At its peak, this was a customer service pain point and was a challenge to our organizational values. MainePERS often received outreach from retirees seeking updates about their benefit finalization. Improving the situation is part of the current Strategic Plan.

The prior status, FY21-FY24

- Even as Member Services found success eliminating most other processing backlogs which occurred as the organization emerged from the pandemic, finalizing benefits remained stubborn.

- Efforts through FY24 essentially succeeded in maintaining a level volume of pending finalizations most of the year. Then, in July each year, the large seasonal influx of retirements occurred and the queue would increase. In short, the queue was growing year-over-year.

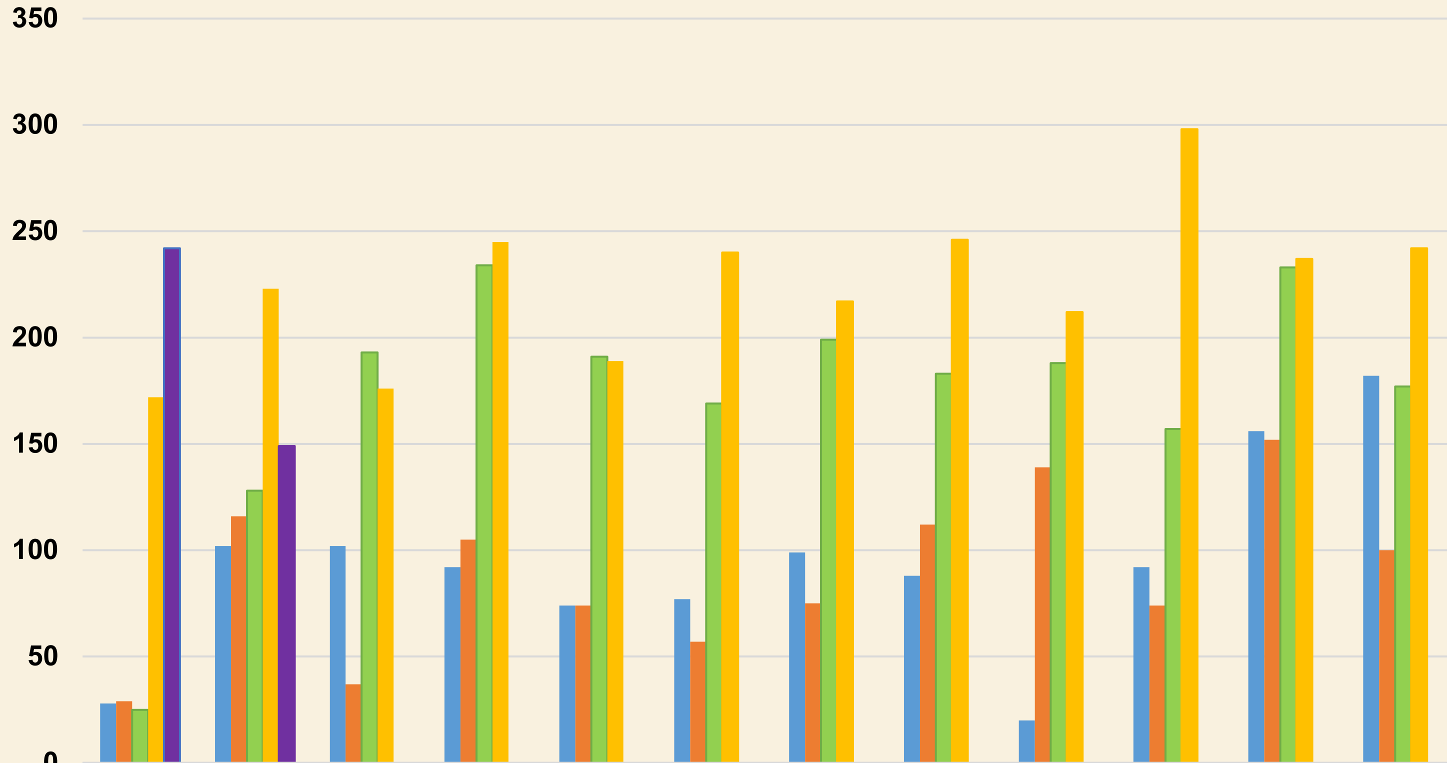
The updated outlook, FY25-FY26

- Since August of FY25, Retirement Services has been driving down the pending queue month-over-month *and* year-over-year.

- Progress accelerated in FY26.

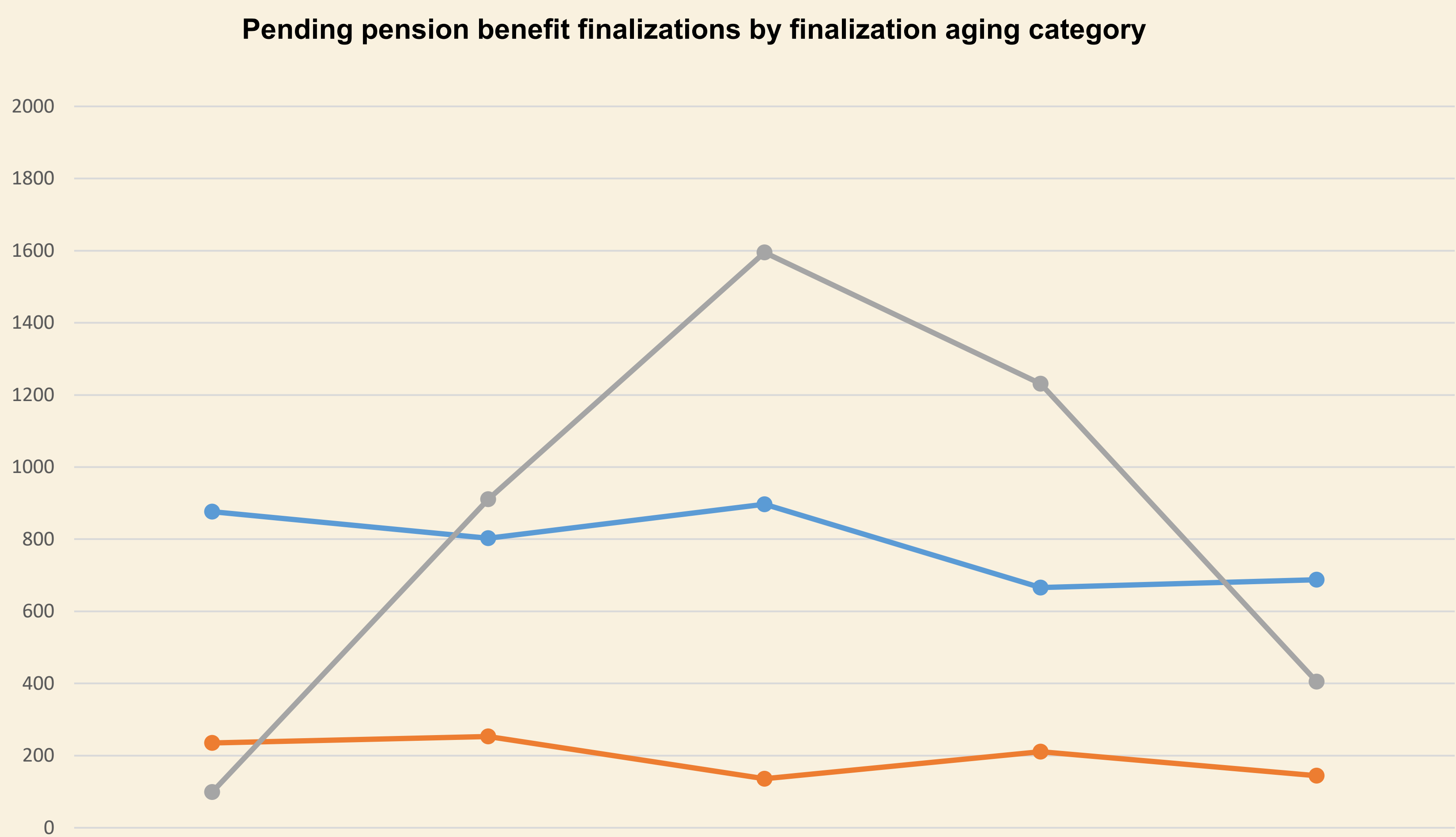
Benefits to the new approach

Closed Pension Workflows by Month by Fiscal Year



	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
FY23 - Closed WFs	28	102	102	92	74	77	99	88	20	92	156	182
FY24 - Closed WFs	29	116	37	105	74	57	75	112	139	74	152	100
FY25 - Closed WFs	25	128	193	234	191	169	199	183	188	157	233	177
FY26 - Closed WFs	172	223	176	245	189	240	217	246	212	298	237	242
FY27 - Closed WFs	242	149										

Putting it all in longer term context

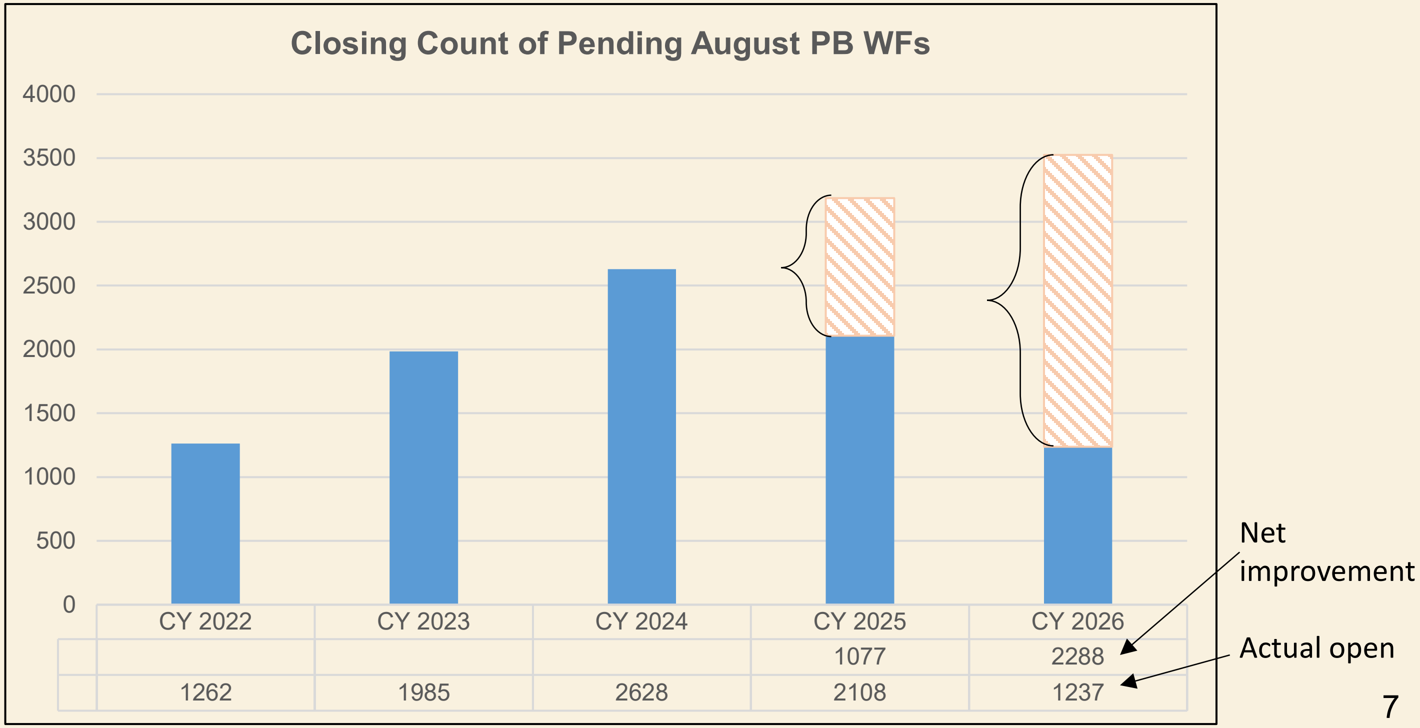


	Aug-22	Aug-23	Aug-24	Aug-25	Aug-26
≤ 90 days	876	803	897	666	688
> 90 ≤ 180	235	253	136	211	144
> 181	99	911	1595	1231	405

Putting it all in longer term context

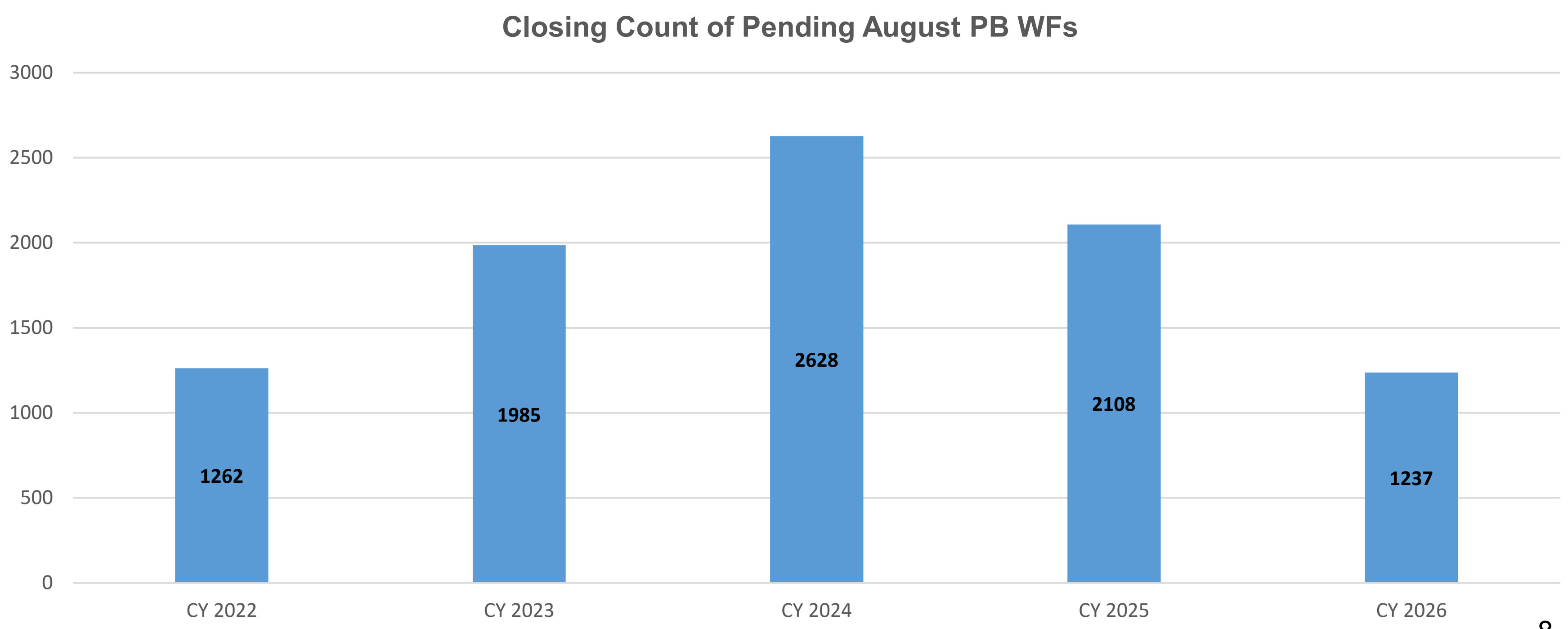
- Ultimately, this means the pending queue is getting smaller not just month-to-month but year-to-year.
- The orange portion of the graph below shows the expected growth in the pending queue that was eliminated or avoided in FY25 and FY26.
- The pending queue is more than 2,200 PB2Finals smaller now than it would have been on the prior projected trend line.

Projected for Aug 2026 If no changes to PB2F processes = 3525
Actual Open PB2F as of Aug 2026 = 1237
Net improvement over trend line = 2,288



Putting it all in longer term context

- The queue has approximately 900 fewer benefits pending finalization now than this same time last year.
- The total queue volume has been reduced by 53% since peak.
- The pending queue > 180 days is reduced approx. 75% since peak.
- The pending queue > 365 days is reduced by 94% from peak, from 1,210 in November 2024 to 72 today.



What is making it possible?

- New approaches and adjusted processes:

  - Starting in August FY25
    - Streamline approach to Average Final Compensation capping
    - Categorize individual accounts at the stage of Preliminary to Final Benefit (PB2F)
    - Unit leadership targets 30 oldest per month

  - During FY2025
    - Empowered staff to take files straight to final benefit

  - During FY2026
    - New Pension Associate staff gaining more experience and reaching various training milestones, and more experienced staff gaining yet more experience both with PB2F’s and with the updated protocols.

What is making it possible?

- New Pension Associate staff gaining experience and reaching various training milestones, and more experienced staff gaining yet more experience both with PB2F's and with the updated protocols.
- Improved staff retention.
- A new structure and new positions in the unit supported by the Trustees approval of the FY25 budget.
- The strategic plan's focus on the empowerment of staff to think about new ways of doing business to tackle the challenges.
- Collaboration within the work unit and across multiple work units, which is another element of the Strategic Plan.
- The hard work of the Retirement Services team, from the most recently hired staff member to the most experienced.

Thank you.
Questions?

MainePERS
PUBLIC EMPLOYEES RETIREMENT SYSTEM

MAINEPERS

BOARD OF TRUSTEES RULEMAKING MEMORANDUM

TO: BOARD MEMBERS

FROM: NANETTE ARDRY, GENERAL COUNSEL

SUBJECT: RULEMAKING UPDATE

DATE: SEPTEMBER 1, 2026

I. Notices

MainePERS does not intend to publish any rulemaking notices in September.

II. Public Hearings

The September Board Meeting will include public hearings below. Copies of the proposed amended Rules 204 and 803 and the existing Rule 802 are provided in the Board materials.

MainePERS proposes to amend **Rule 204** (Waiver of Member Payment Requirement where Caused by Employer Error or Omission) 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.

The amendments that MainePERS is proposing to **Rule 803** (Participating Local District Consolidated Retirement Plan), are to update a reference to the definition of part-time, seasonal temporary employee to refer to federal law instead of Rule 802 and to 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.

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 has now been referenced in Rule 803.

III. Adoptions

The September Board Meeting will not include any adoptions.

POLICY REFERENCE

Board Policy 2.3 -- Rulemaking

Board Policy 4.5 – Board/Staff Relations

Board Policy 4.6 – Communications and Support to the Board

RECOMMENDATION

No Board action is required at this time.

PROPOSED REVISED RULE – PUBLIC HEARING SEPTEMBER 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 thier designee will issue a written decision on the waiver request. If the decision is a denial of the request, the member or retiree seeking the waiver 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

94-411 MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

Chapter 803: PARTICIPATING LOCAL DISTRICT CONSOLIDATED RETIREMENT PLAN

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.

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.

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

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 I(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.

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: SEPTEMBER 3, 2026

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

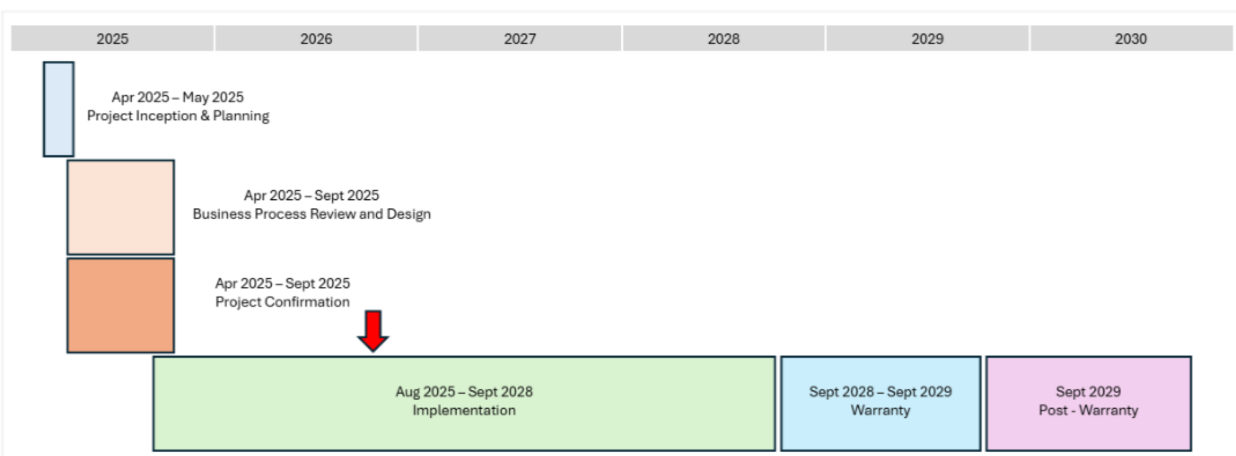
1. PENSION ADMINISTRATION SYSTEM IMPLEMENTATION: Project Status: Sagitec is currently reporting that all major monitoring areas of the project – schedule, budget/cost, scope, resources and quality – are green, as is the overall project status. An excerpt of Sagitec's monthly project status report is included below. The Project is now well into the subphase of the project referenced as Pilot 4.2.

   Follow up from Pilot 4.1 remains on track. More than 90 percent of the issues identified during 4.1 testing in April and May have been remedied. Work on the remaining approximately 6 percent, or 7 total items, remains in progress.

   The project has now completed approximately 40 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	August2026	**Reporting Date**	August 31, 2026 (submitted Aug 28)
Audience	Chip Gavin, Michael Colleran, Joy Childs, Valerie Scott, Domna Giatas, Tim Poulin, Karen Doyle, Brett McGillivary	**Next Steering Committee Meeting with Sagitec**	September 9, 2026

Timeline *(red arrow indicates the approximate point in the project as of this report)*



MEMBER SERVICES

1. <u>Supplemental Metrics</u>: The new graph regarding the Participation Local District plan that was introduced in last month's report has remained. The legacy and redundant graph has been discontinued as planned.

FINANCE – SEPTEMBER 2026

1. EMPLOYER REPORTING. Employers submitted defined benefit payrolls on time at rate of 89% in August. This compares to a rate of 91% for the same period last year. Of the 71 payrolls that missed the deadline, 34 were submitted within three days of deadline. The percentage of fully reconciled accounts through June data is 77%.

   The total number of accounts with 2019 transactions, including two for Portland Public Schools, remains at three. The reconciliation for the 2019 account that is not related to Portland Public Schools is being actively worked now. The aging of the 166 accounts not fully reconciled through June 2026 data breaks down as follows:

	Oldest Unreconciled Transactions							
Year	2026	2025	2024	2023	2022	2021	2020	2019
# of Accts	110	40	5	4	0	1	3	3
Removed		-3						
Added	34							
Prior Report	76	43	5	4	0	1	3	3

2. EMPLOYER AUDITING. There were three new audits opened during the month of August, and six audits were completed. The current percentage of findings resolved is 98.8%.

3. ACCOUNTING AND FINANCE. The annual financial audit is underway. The internal audit covering Compensation in beginning.

INFORMATION TECHNOLOGY

1. IT OPERATIONS. IT Operations has almost completed the rollout for FortiClient. Most desktop workstations have been decommissioned as part of this process. FortiClient is an application that provides secure, encrypted remote VPN access to corporate networks. All feedback has been positive and performance results have been promising. FortiClient will enable MainePERS remote users to connect to all internal networks and resources without the requirement of a physical Meraki device. IT Operations is also continuing to work on configuration of our Varonis data management system to track all data that moves outside or comes into our internal network. This analysis will inform MainePERS of any data movement that could be a risk. Currently the team is partnering with the Director of Special Projects, to create a record retention rollout plan. The current focus is on data gathering to determine legacy file ownership for targeted cleansing efforts. Installation of the new APC backup batteries in our Augusta datacenter as well as a IT rack reconfiguration and cleanup was completed on August 22nd. Data migration is underway to the upgraded Windows Server 2025 servers.

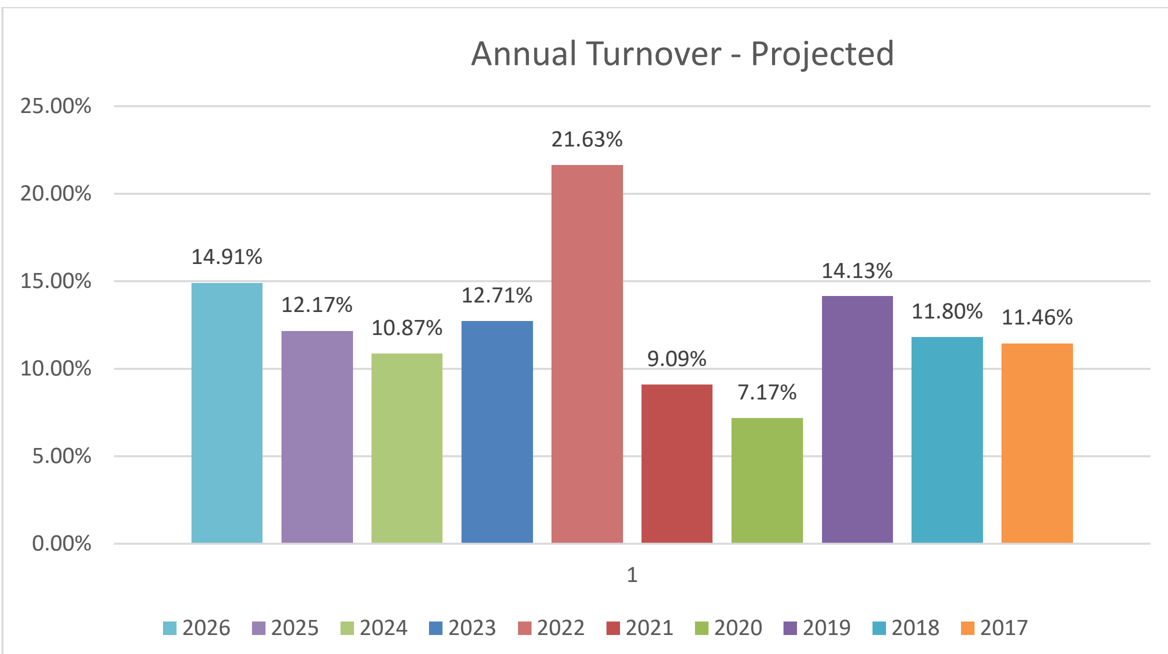
2. DEVELOPMENT. The IT Development and Line of Business Teams continue to closely work with the Sagitec data conversion team on detailed field mapping and providing monthly data conversion bundles and transfers. The Development Team completed the data dictionary for Pilot 4.2 in July. The Development team will be sending additional data to Sagitec in August to support the Pilot 4.2 design efforts. To date the team has resolved just 2.9 million conversion errors. Data conversion efforts will be ongoing monthly. The Line of Business Team has been focused on elaboration sessions for Refunds and Service Credit/portability and Service Retirement.

3. 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 PM Team is currently coordinating Pilot 4.2, scheduling all requirement sessions. 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 participated and assisted in all PUV activities and is now focused on Pilot 4.2 and the ongoing data conversion.

4. INFORMATION SECURITY. In August, Tyler completed Internal and External Penetration testing and a Social Engineering exercise in which a Cyber Tech acted as a vendor and tried to gain access to the Augusta and Portland locations.

LEGAL AND ADMINISTRATION

1. HUMAN RESOURCES: MainePERS had 1 new hire and 2 separations in August; there are 6 open positions in active recruitment and 3 pending offers as of the end of the month. As shown in the chart below, we are projecting a slight increase in turnover for 2026.



The turnover rate is measured by dividing terminations per month by average employees per month. The YTD actual numbers are used to project through end of year.

2. LEGAL DEPARTMENT: Based on recommendations from the recent Vendor Management Program Internal Audit, the Legal Department has adopted amendments to its Vendor Management Program policy, implemented an Offboarding form and has developed a Vendor Management Practice.

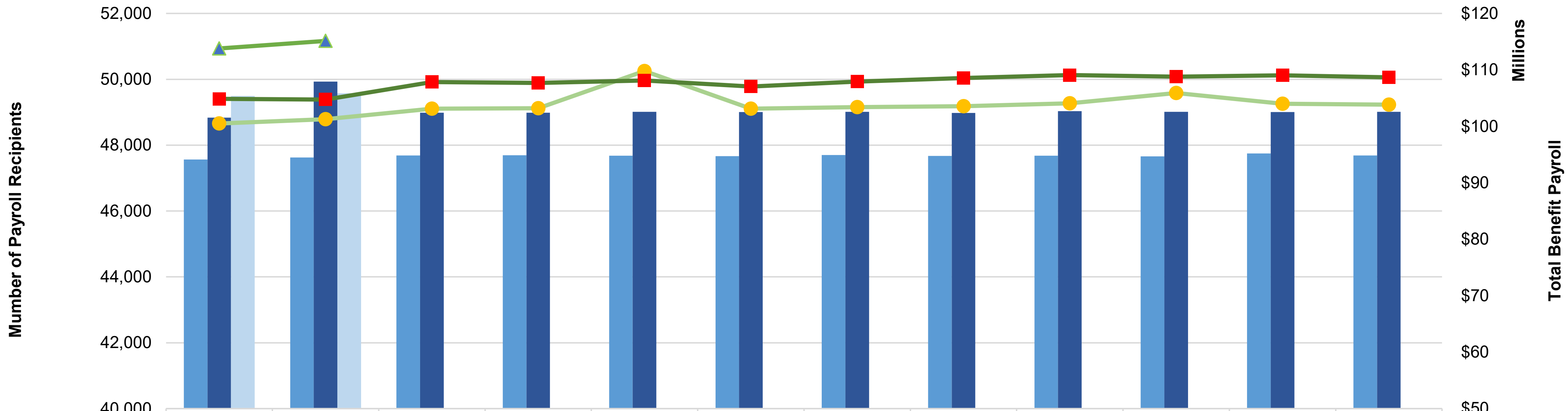
RECOMMENDATION

No Board action is recommended at this time.

RETIREMENT SERVICES

BENEFITS PAYROLL: Regular monthly pension benefit payments were made to 49,579 recipients in August, totaling $115,128,846. 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.

Benefit Recipients & Total Benefits Payroll

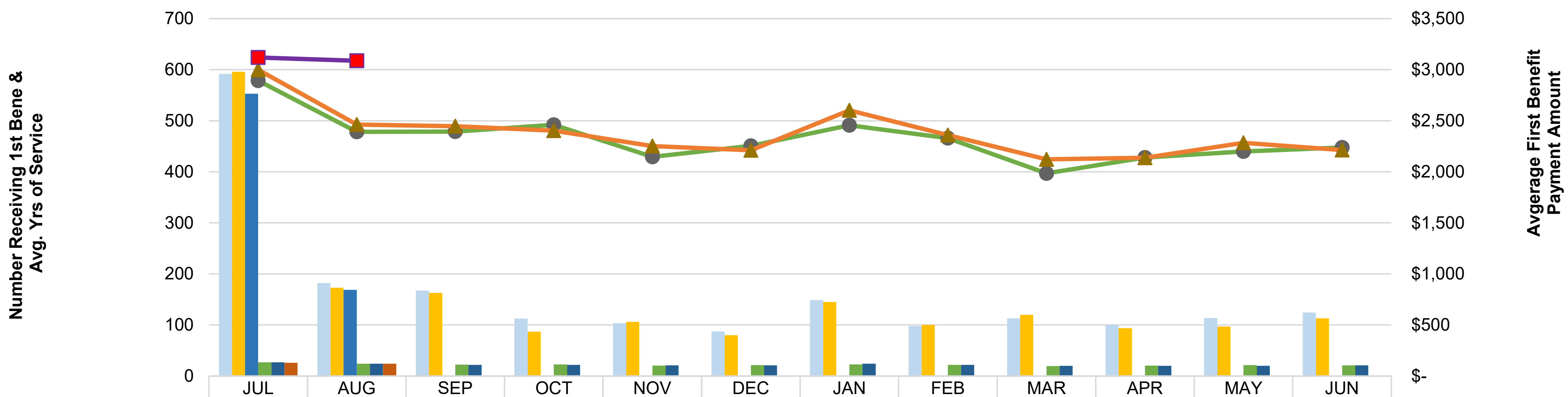


	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
3YR Avg # of Benefit Recipients (FY23-FY25))	47,563	47,626	47,687	47,695	47,682	47,666	47,701	47,671	47,680	47,662	47,747	47,685
FY26 # Benefit Recipients	48,835	49,931	48,982	48,985	49,011	49,003	49,015	48,979	49,033	49,011	49,007	49,015
FY27 # Benefit Recipients	49,493	49,579										
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										

RETIREMENT SERVICES: (CONTINUED)

FIRST TIME BENEFIT RECIPIENTS: One hundred sixty-nine (169) individuals received their first benefit payment in August. The average benefit amount was $3,087. First time recipients averaged twenty-four (24) 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.

First Time Benefit Recipients

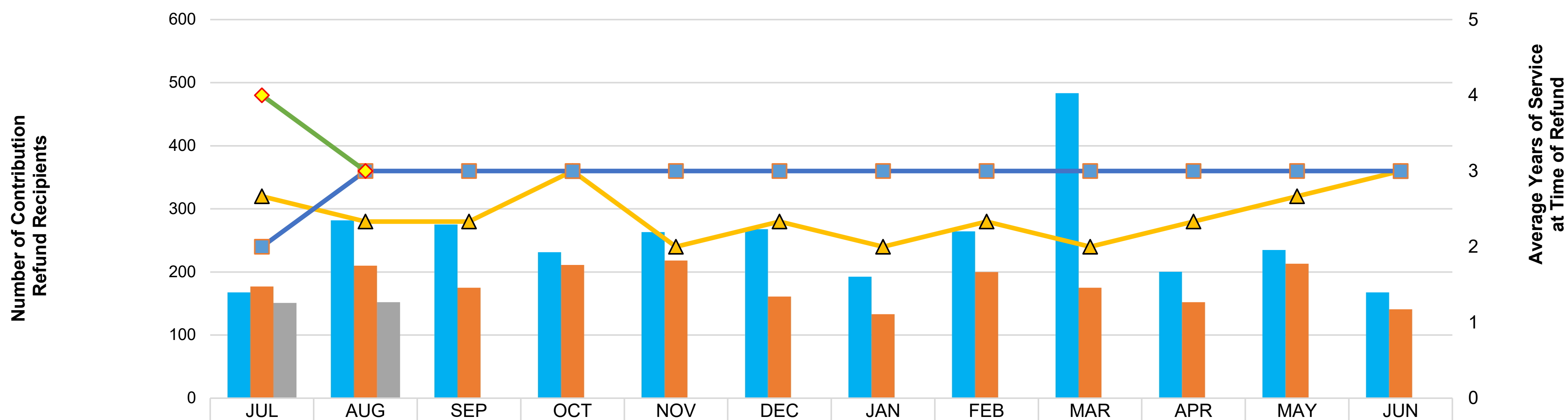


	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
3YR Avg # Receiving 1st Benefit Pymt (FY23-FY25)	592	182	168	112	103	87	149	98	113	100	114	125
FY26 # Receiving 1st Benefit Pymt	596	173	163	87	106	80	145	100	120	94	97	113
FY27 # Receiving 1st Benefit Pymt	553	169	0	0	0	0	0	0	0	0	0	0
3YR Avg Years of Svc @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										
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										

RETIREMENT SERVICES: (CONTINUED)

CONTRIBUTION REFUNDS: One hundred fifty-two (152) former members received a refund of their contributions in August. The average refund was $13,761 as the result of an average of three (3) years of service. The aggregate amount refunded was $2,091,663.

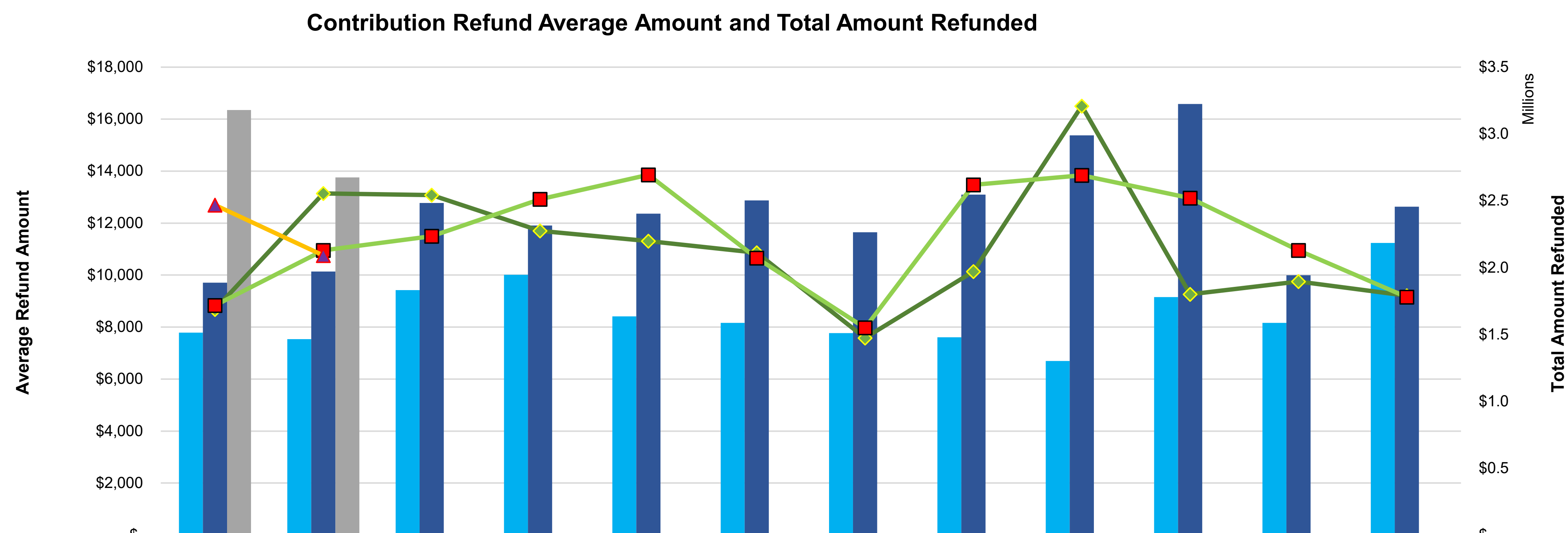
Contribution Refunds Issued: Total Number & Average Years of Service



	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										
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										

RETIREMENT SERVICES: (CONTINUED)

CONTRIBUTION REFUNDS



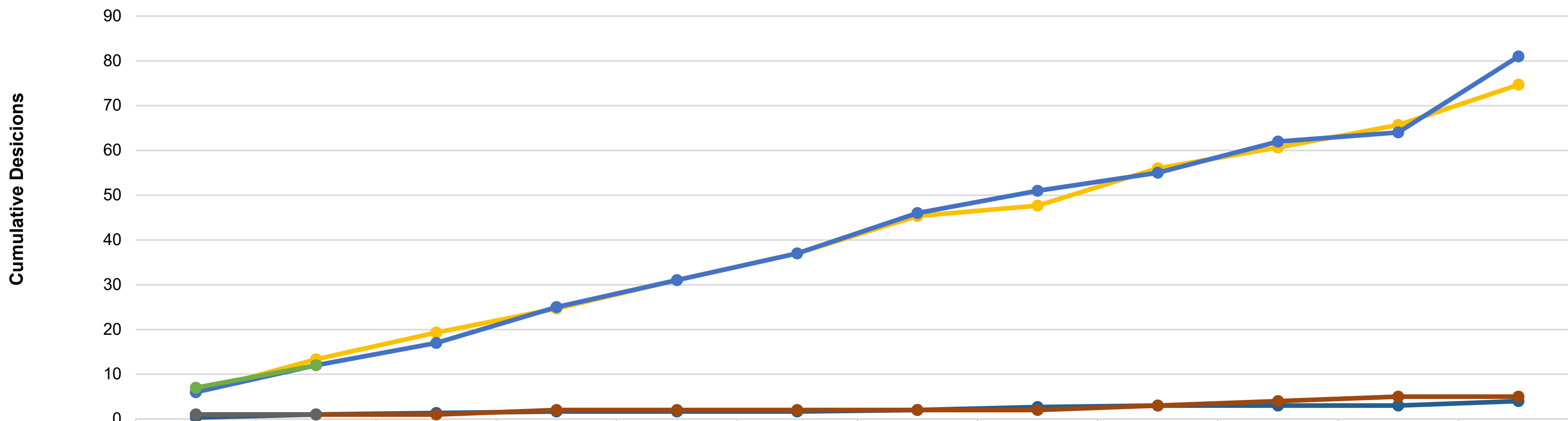
	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
3YR Avg Refund Amount (FY23-FY25)	$7,786	$7,536	$9,422	$10,010	$8,411	$8,160	$7,766	$7,606	$6,695	$9,152	$8,162	$11,238
FY26 Avg Refund Amount	$9,705	$10,140	$12,771	$11,904	$12,361	$12,872	$11,653	$13,095	$15,379	$16,583	$9,997	$12,630
FY27 Avg Refund Amount	$16,349	$13,761										
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										

DISABILITY SERVICES

Intake Interviews and Applications: There were sixteen (16) interviews completed in August with varying levels of detail and duration. Intakes interviews included two (2) State members, six (6) Teacher members, eight (8) PLD members and zero (0) other members. There were four (4) new disability retirement applications received in August. For FY27 to date, there have been nine (25) interviews completed, and thirteen (17) disability retirement applications received.

Decisions made on Applications for Disability Benefits: There were five (5) approvals, zero (0) expedited approvals and zero (0) denial of disability benefits in August. For FY27 to date, there have been seven (12) total approvals and one (1) denial of disability benefits.

Disability Services: Monthly and Cumulative Disability Decisions for Approvals and Denials

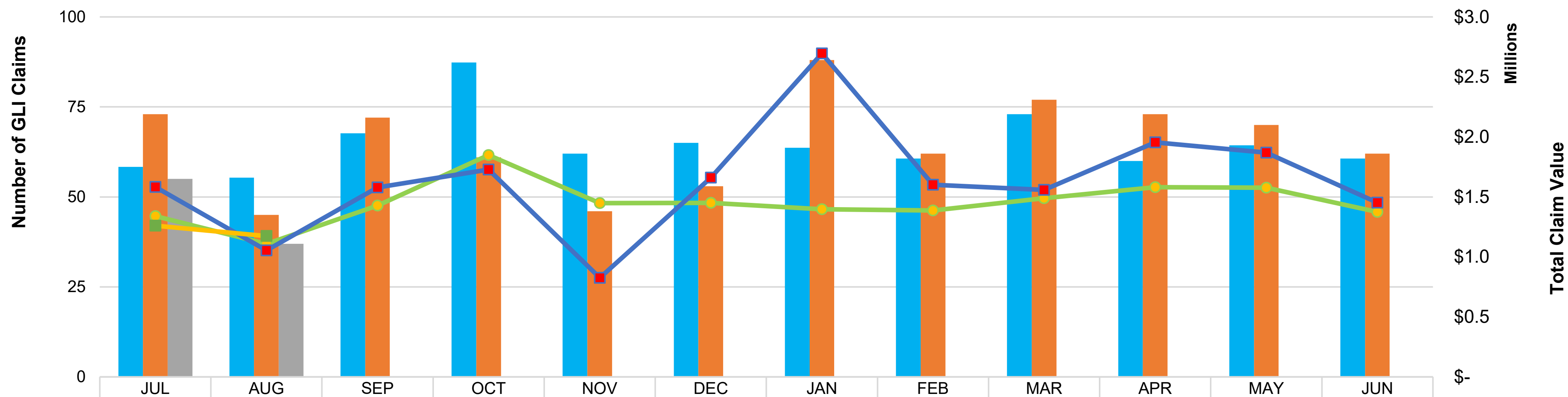


	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
3 YR Avg Cumulative Approved Apps (FY23 to FY25)	6	13	19	25	31	37	45	48	56	61	66	75
FY26 Cumulative Approved Apps	6	12	17	25	31	37	46	51	55	62	64	81
FY27 Cumulative Approved Apps	7	12										
3 YR Avg Cumulative Denied Apps (FY23 to FY25)	0	1	1	2	2	2	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										

SURVIVOR SERVICES

GLI Claim Numbers and Values: There were thirty-seven (37) life insurance claims sent to our carrier (The Hartford) in August with a total value of $1,173,705 in payments due to beneficiaries. Of the claims, thirty-two (32) were retiree claims and six (5) were active member claims including one (1) dependent claim.

Group Life Insurance Claim Numbers and Total Claim Values

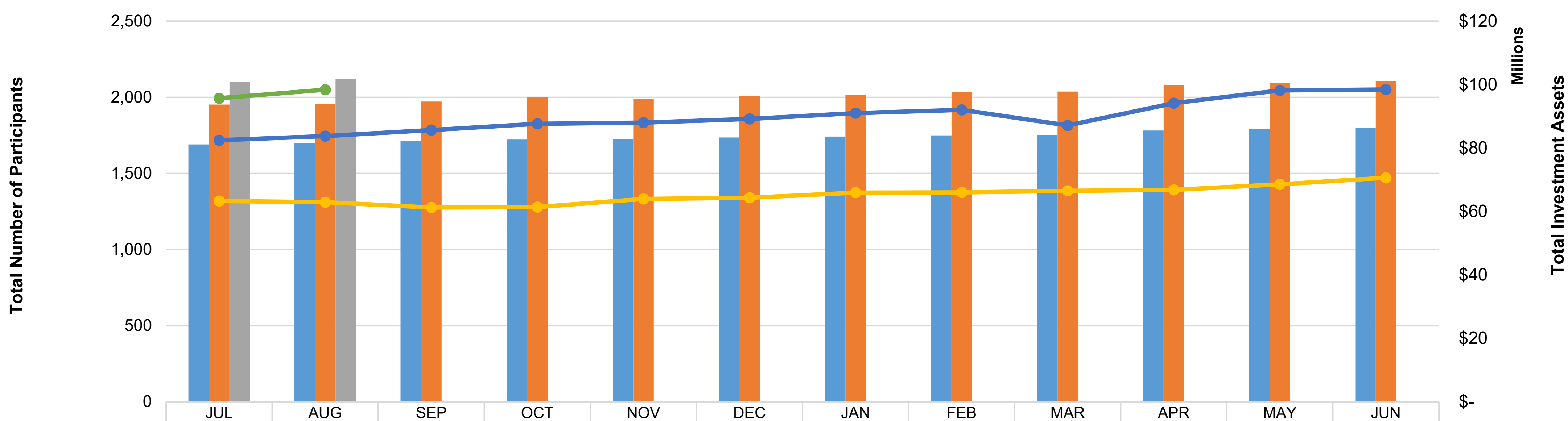


	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
3YR Avg # Life Insurance Claims Filed (FY23-FY25)	58	55	68	87	62	65	64	61	73	60	64	61
FY26 # Life Insurance Claims Filed	73	45	72	61	46	53	88	62	77	73	70	62
FY27 # Life Insurance Claims Filed	55	37										
3YR Avg Total Claim Value (FY23-FY25)	$1,339,210	$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										

DEFINED CONTRIBUTION PLAN SERVICES

Total Participants and Investment Assets: MaineSTART had two thousand one hundred twenty (2,120) participants at the end of August with $98,383,752 of investment assets in the program.

MaineSTART Total Participants and Investment Assets



	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										
3 YR Avg Total Investment Assets (FY23-FY25)	$63,288,119	$62,959,223	$61,241,728	$61,393,428	$63,976,734	$64,299,350	$65,938,685	$66,024,782	$66,501,002	$66,775,990	$68,529,314	$70,633,761
FY26 Total Investment Assets	$82,457,603	$83,771,245	$85,678,633	$87,630,130	$88,027,628	$89,147,495	$90,984,312	$92,021,163	$87,133,222	$94,110,681	$98,159,869	$98,435,961
FY27 Total Investment Assets	$95,696,227	$98,383,752										

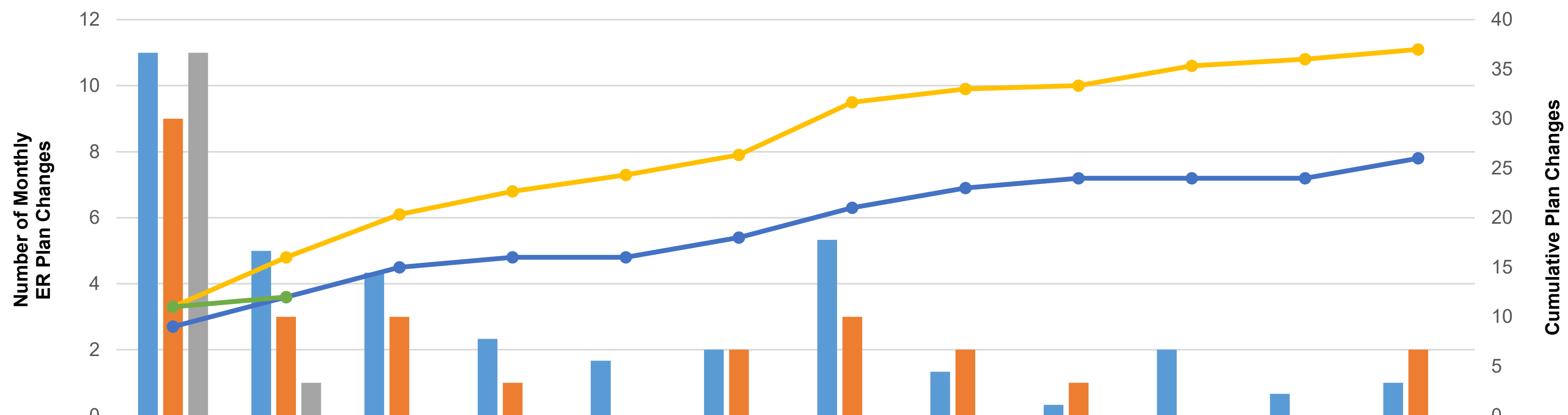
PARTICIPATING LOCAL DISTRICT (PLD)

PLAN ADMINISTRATION

New Employer Members & Plan Changes: There was one (1) new employer joining the PLD Retirement Program effective August 1, 2026. There was one (1) employer plan change effective August 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 twelve (12).

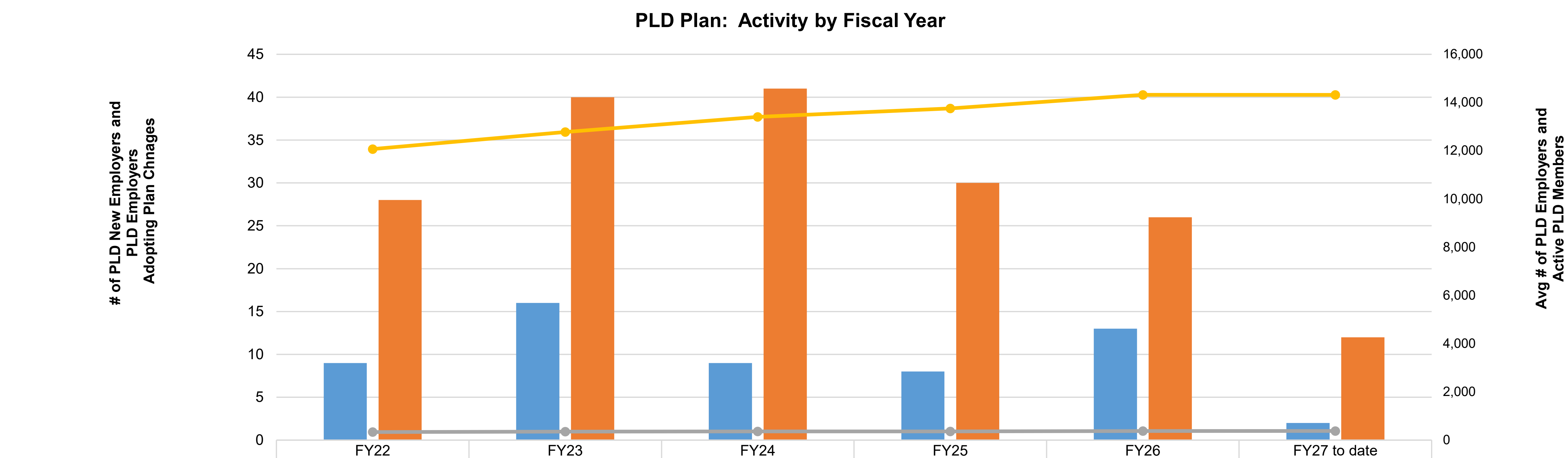
PLD Plan: Monthly and Cumulative Employer Plan Changes



	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										
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										

PLD PLAN ADMINISTRATION (CONTINUED)

PLD PLAN ACTIVITY BY FISCAL YEAR

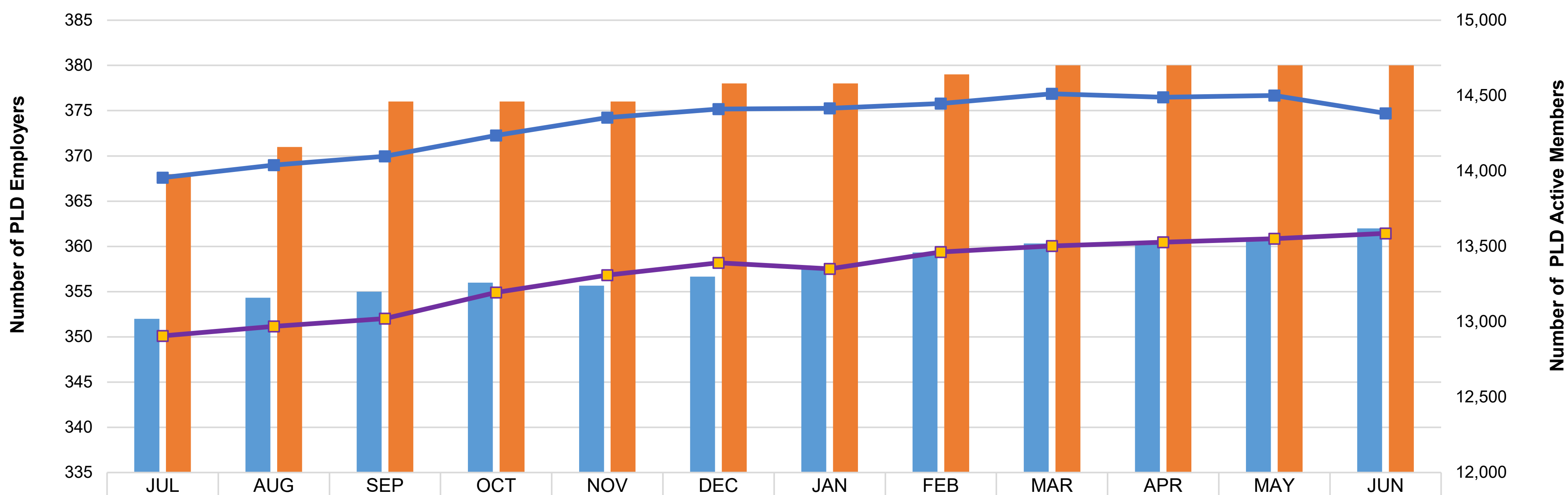


	FY22	FY23	FY24	FY25	FY26	FY27 to date
# New PLD Plan Employers	9	16	9	8	13	2
# PLD's Adopting Plan Changes	28	40	41	30	26	12
Avg PLD Employers	335	350	360	362	377	380
Avg PLD Active Members	12,071	12,777	13,409	13,758	14,320	14,319

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.

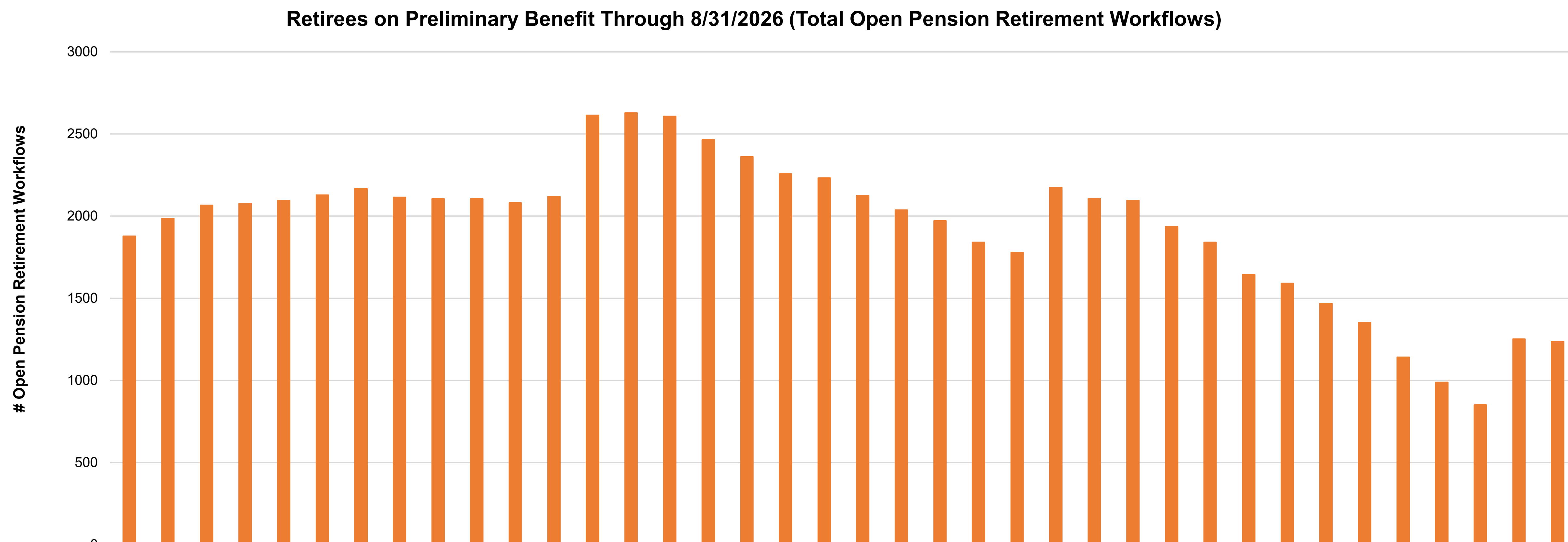
PLD Plan: Employers and Active Members



	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

FOCUS FRIDAY IMPACT ON BACKLOG REDUCTION

PRELIMINARY TO FINAL BENEFIT (PB TO FINAL) BACKLOG THROUGH AUGUST 31, 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
Actual # Open PBs WFs	1878	1985	2067	2076	2096	2129	2168	2115	2105	2106	2080	2120	2614	2628	2608	2464	2361	2257	2232

	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
Actual # Open PBs WFs	2126	2037	1972	1841	1779	2174	2108	2095	1936	1841	1644	1591	1468	1353	1141	988	850	1251	1237

MAINEPERS

BOARD OF TRUSTEES MEMORANDUM

TO: BOARD MEMBERS

FROM: BILL BROWN, DIRECTOR, ACTUARIAL AND LEGISLATIVE AFFAIRS

SUBJECT: ACTUARIAL AUDIT

DATE: SEPTEMBER 2, 2026

Board Policy 2.2, Actuarial Soundness and Funding, requires an independent actuarial audit of the retained actuarial consultant every five years. The last actuarial audit was completed in 2021. In accordance with the governing policy, an updated actuarial audit is due in 2026, and that audit has now been completed.

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

ACTUARIAL AUDIT

MainePERS issued a Request for Proposals (RFP) for an actuarial audit on March 16, 2026. The firm Gabriel, Roeder, Smith & Company (GRS) was retained as the consulting actuary for this work and audit commenced June 1, 2026.

GRS has completed its audit and will present a report of the results at the September 10 Board meeting. A copy of the GRS report is included with this memo for your information, as well as a copy of GRS's presentation. Bonnie Rightnour and Greg Reardon from Cheiron, the System's retained actuarial consultant, will also be on hand to answer any questions. A copy of Cheiron's response to the report is included with this memo.

Maine Public Employees Retirement System

Annual Audit

Presenter: Becky Stouffer, ASA, MAAA, FCA

September 10, 2026

Agenda

- Your GRS Team
- Introduction and Actuarial Audit Landscape
- Actuarial Audit Conclusion
- High Level Review of Results

Your GRS Team

Rebecca (Becky) L. Stouffer
ASA, FCA, MAAA
Senior Consultant and Team Leader

Craig Graby
EA, FCA, MAAA
Senior Consultant

Jeffrey T. Tebeau
FSA, EA, FCA, MAAA
Senior Consultant

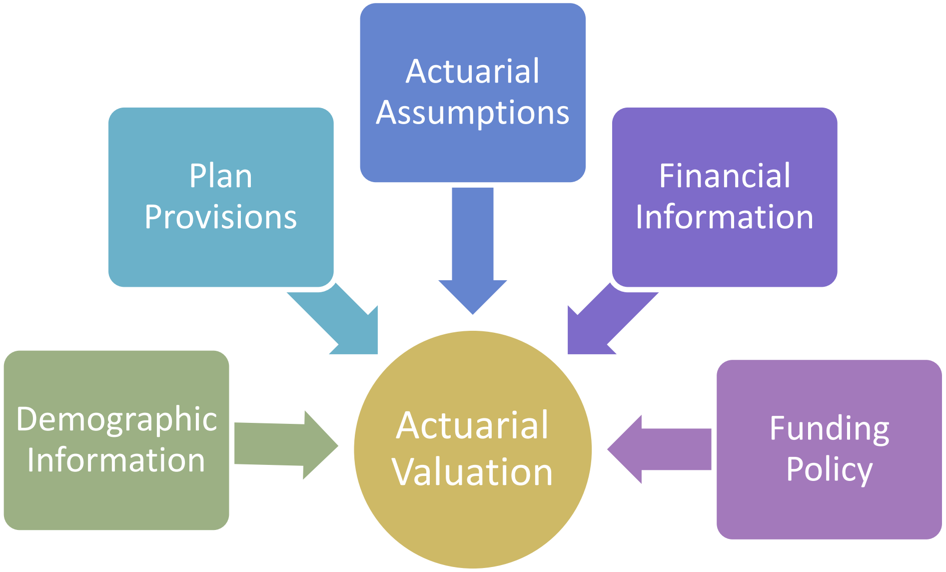
Jennifer Cagasan
EA, FCA, MAAA
Consultant

Philip Mathew
ASA
Senior Analyst

Cassie Rapoport
ASA, MAAA
Consultant

Introduction

- Actuarial services are crucial to MainePERS
  - Produce important information for decision makers
- Services are specialized and highly technical
  - Requires millions of calculations and methods

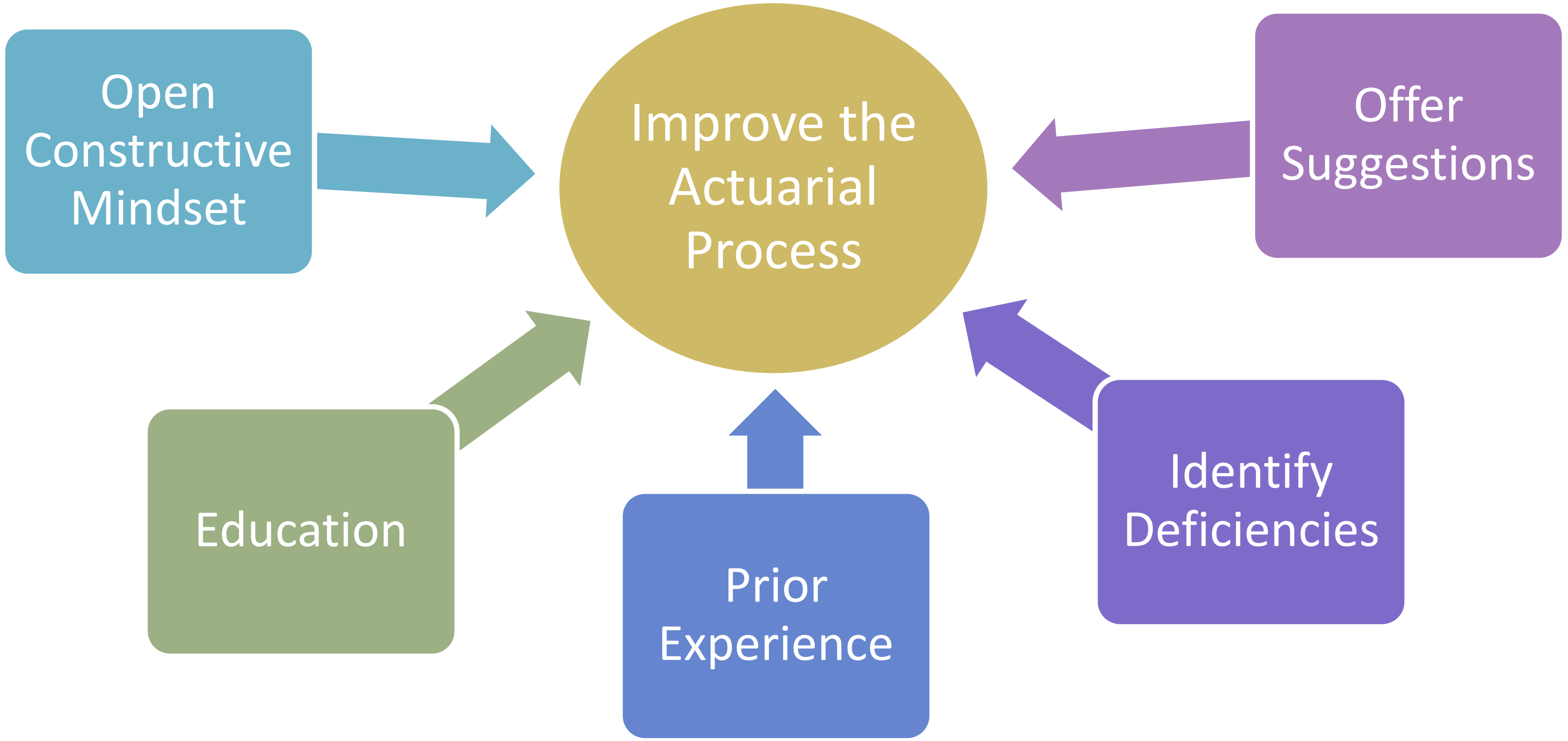


Purpose of an Actuarial Audit

- Board is the fiduciary
  - Responsible for the accuracy and reliability of the actuarial work
  - May not possess the expertise to perform the valuation
- External Actuarial Audit addresses this need
  - Due diligence tool for trustees to monitor actuarial services
- Levels of Audit
  - Level 1 – Full-Scope Replication
    - Most thorough and comprehensive analysis
  - Level 2 – Sampling
    - Includes a review of the actuarial assumptions and methods for reasonableness and internal consistency
    - Replicates the valuation calculations for a set of representative sample records rather than the entire population

GRS

Approach to an Actuarial Audit



Actuarial audits help improve the accuracy of $ Billions in actuarial accrued liabilities across public pension plans

GRS

Audit Scope

- 2025 Valuation Reports
  - MainePERS State and Teacher Retirement Program
  - Maine Judicial Retirement Program
  - Maine Legislative Retirement Program
  - MainePERS Consolidated Plan for Participating Local Districts
- Assumptions and Methods
  - 2025 Draft Experience Study Report
  - Economic Assumption Review – June 2026 Board Meeting
- 2025 Sample Lives
- Census Review

GRS

Actuarial Audit Conclusion

- As described in our report, “In the opinion of the auditing actuaries, the work of the retained actuaries fairly represents the financial position of the four plans that were audited. In particular:
  - The actuarial assumptions and methods are reasonable and comply with generally accepted actuarial principles, State Law, and Board Regulations.
  - With a few potential exceptions, the retained actuary is processing the data correctly.
  - The retained actuary’s actuarial valuation results, including accrued liability, normal cost, and expected contributions are correct to within acceptable tolerances.”

High-Level Review of Results – Census Data

Counts	Retained Actuary Judicial	Legislative	State	Teachers	PLD	Total
Active	64	182	13,338	28,240	14,066	55,890
Retired	94	234	16,191	23,887	11,073	51,479
Deferred Vested Members	3	136	3,313	6,090	3,049	12,591
Inactives Due Refunds	1	96	9,839	28,299	10,900	49,135
Total	162	648	42,681	86,516	39,088	169,095
Annual Payroll	$ 10,597,440	$ 4,661,930	$ 1,005,365,088	$ 1,672,881,120	$ 995,732,140	$ 3,689,237,718
Annual Benefit Payments	$ 5,727,123	$ 604,905	$ 382,045,881	$ 671,646,832	$ 228,576,516	$ 1,288,601,257

Counts	GRS Judicial	Legislative	State	Teachers	PLD	Total
Active	64	182	13,338	28,244	14,040	55,868
Retired	94	234	16,211	23,918	11,083	51,540
Deferred Vested Members	3	136	3,298	6,085	3,058	12,580
Inactives Due Refunds	1	95	9,898	28,470	10,683	49,147
Total	162	647	42,745	86,717	38,864	169,135
Annual Payroll	$ 10,597,440	$ 4,651,192	$ 1,013,621,310	$ 1,674,643,248	$ 1,000,532,520	$ 3,704,045,710
Annual Benefit Payments	$ 5,727,124	$ 604,905	$ 382,550,243	$ 672,523,866	$ 228,892,053	$ 1,290,298,191

Counts	% Difference Judicial	Legislative	State	Teachers	PLD	Total
Active	0.0%	0.0%	0.0%	0.0%	-0.2%	0.0%
Retired	0.0%	0.0%	0.1%	0.1%	0.1%	0.1%
Deferred Vested Members	0.0%	0.0%	-0.5%	-0.1%	0.3%	-0.1%
Inactives Due Refunds	0.0%	-1.0%	0.6%	0.6%	-2.0%	0.0%
Total	0.0%	-0.2%	0.1%	0.2%	-0.6%	0.0%
Annual Payroll	0.0%	-0.2%	0.8%	0.1%	0.5%	0.4%
Annual Benefit Payments	0.0%	0.0%	0.1%	0.1%	0.1%	0.1%

GRS

- GRS received “raw” and “processed” data and a copy of the Data Processing Notebook
-An exact match between GRS and the Retained Actuary is not expected

High-Level Review of Results – Census Data

- Applicable Actuarial Standards of Practice (ASOP)
  - ASOP 23 – Data Quality

- Differences are primarily attributed to data adjustments/corrections resulting from the data validation process
  - Inactive Due Refund differences are not expected to have a material impact

- **GRS is comfortable with the processed data used for the actuarial valuation**

- High praise for the contents of the Data Processing Notebook
  - Recommendations
    - Inclusion of the primary data adjustments in the Valuation Reports
    - Review of the “NoAge” Flag mapping/documentation

GRS

High-Level Review of Results – Sample Lives

- Replicated results for a cross section of members

	Count of Test Cases			
			Inactive	Total All
Plan	**Active**	**Retired**	**(Non-Retired)**	**Plans**
State and Teacher Retirement Program	10	12	2	24
Consolidated Plan for Participating Local Districts	9	9	2	20
Judicial Retirement Program	2	2	1	5
Legislative Program	2	2	1	5
Total All Systems	23	25	6	54

Cross section included differing:
-Plans, Tiers, Genders, Ages, Services, and Optional Forms of Payment

High-Level Review of Results – Sample Lives

All Member Types	Present Value Future Benefits (PVFB)			
	Retained		Difference	
Plan	Actuary	GRS	$	%
State and Teacher Retirement Program	$6,923,860	$6,942,385	$18,525	0.3%
Consolidated Plan for Participating Local Districts	3,916,829	3,941,331	24,502	0.6%
Judicial Retirement Program	2,468,474	2,463,730	(4,744)	-0.2%
Legislative Program	228,903	230,289	1,386	0.6%
Total All Systems	13,538,066	13,577,735	39,669	0.3%

Item	Target Tolerance
Present Value of Future Benefits (PVFB)	2%

High-Level Review of Results – Sample Lives

- GRS generated individual test life results that were consistent with Retained Actuary’s results
  - GRS' replication of the actuarial accrued liability and normal cost did not match as closely
    - This is typical
    - Our recommendations may resolve some of the differences

- Recommendations
  - Review Termination Benefit for Individual Outliers
  - Legislative Actives – Confirm application timing of the Retirement Decrement
  - Expand Sample Life Selection to cover additional special cases in the future

High-Level Review of Results – Assumptions

- Types of Actuarial Assumptions
  - Economic – Of the Money
  - Demographic – Of the People

- Applicable Actuarial Standards of Practice (ASOP)
  - ASOP 27 – Selection of Assumptions for Measuring Pension Obligations

GRS

High-Level Review of Results – Assumptions

- Economic Assumptions Reviewed
  - Inflation
  - Cost of Living Adjustments (COLA)
  - Investment Return Assumption

GRS found economic assumptions from the June 2026 Board PPT to be reasonable
- A reasonable range of economic assumptions exists
- Economic Assumptions are consistent with those in other similar public retirement systems

- Recommendation
  - Include a section on economic assumptions in experience study reports

GRS

High-Level Review of Results – Assumptions

- Demographic Assumptions Reviewed
  - Merit and Longevity Salary Increases
  - Rates of Mortality and Mortality Improvement
  - Rates of Disability
  - Rates of Retirement
  - Rates of Termination

GRS found recommended demographic assumptions from the 2025 Draft Experience Study report to be reasonable
- We offer ideas for enhancements to future studies and several areas to confirm

- Recommendations
  - Perform the salary analysis net of *actual* inflation
  - Legislative Plan – Retirement and Termination – Confirm consistency of disclosure and modeling application

High-Level Review of Results – Methods

- Types of Actuarial Methods
  - Actuarial Cost Method
  - Asset Valuation Method
  - Amortization Method

- Applicable Actuarial Standards of Practice (ASOP)
  - ASOP 4 – Measuring Pension Obligations and Determining Pension Plan Costs of Contributions
  - ASOP 44 – Selection and Use of Asset Valuation Methods for Pension Plans

High-Level Review of Results – Methods

- Actuarial Cost Method
  - Individual Entry Age Normal Cost

GRS found this method to be reasonable

GRS

High-Level Review of Results – Methods

- Asset Valuation Method
  - 3 Year Smoothed with “Open” recognition
  - No corridor

GRS found this method to be reasonable, but does have recommendations

- Recommendations
  - Change from “Open” to fixed, “Closed” recognition periods
  - Consider addition of an asset corridor
  - Include a discussion of asset method in future experience study reports

High-Level Review of Results – Methods

- Amortization Method – Layered Differing By Plan
  - State and Teacher and PLD – 20 Year, Closed Periods
  - Judicial and Legislative Plans – 10 Year, Open Periods

GRS found this method to be reasonable, but does have recommendations

- Recommendations
  - Establish a surplus funding strategy
  - Include a discussion of amortization method in future experience study reports

GRS

High-Level Review of Results – Valuation Reports

- Applicable Actuarial Standards of Practice (ASOP)
  - ASOP 4 – Measuring Pension Obligations and Determining Pension Plan Costs of Contributions
  - ASOP 23 – Data Quality
  - ASOP 41 – Actuarial Communications
  - ASOP 51 – Assessment and Disclosure of Risk Associated with Measuring Pension Obligations and Determining Pension Plan Contributions
  - ASOP 56 - Modeling

GRS

High-Level Review of Results – Valuation Reports

- Recommendations
  - Board Summary – Gain and Loss Detail
  - Risk Assessment and Disclosure – Legislative and Judicial
  - Membership Information – Reconciliation Enhancements
  - Technical and Miscellaneous Assumptions
    - Data Adjustment Disclosures
    - Cost Method Disclosure
  - Separate Appendix Document

GRS found the actuarial reports to be thorough and in compliance with the applicable ASOPs

GRS

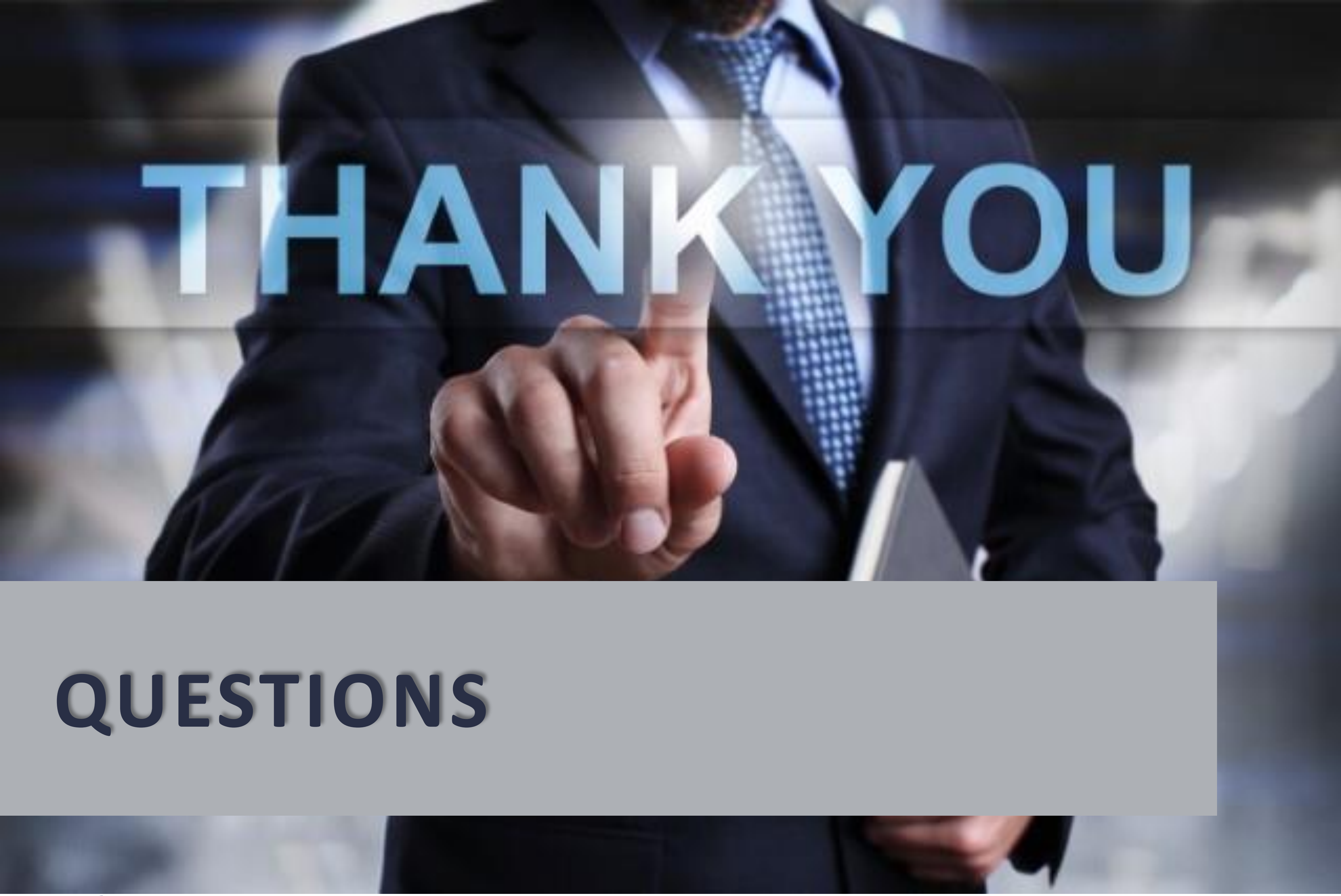
Recap and Looking Ahead

- Conclusion Restated: "In the opinion of the auditing actuaries, the work of the retained actuaries fairly represents the financial position of the four plans that were audited. In particular:
  - The actuarial assumptions and methods are reasonable and comply with generally accepted actuarial principles, State Law, and Board Regulations.
  - With a few potential exceptions, the retained actuary is processing the data correctly.
  - The retained actuary's actuarial valuation results, including accrued liability, normal cost, and expected contributions are correct to within acceptable tolerances."

- Our recommendations were primarily:
  - Opportunities for improvement; and
  - Review and refinement of methodologies and/or documentation

- Looking Ahead – Web Content Accessibility Guidelines (WCAG)

GRS



QUESTIONS

Disclaimers

- This presentation expresses the views of the authors and does not necessarily express the views of Gabriel, Roeder, Smith & Company.
- 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 economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law.

GRS

Disclaimers

- This presentation is intended to be used in conjunction with the final actuarial audit report. This presentation should not be relied on for any purpose other than the purposes described in the valuation reports.
- This presentation shall not be construed to provide tax advice, legal advice, or investment advice.
- Becky Stouffer is independent of the plan sponsor, are Members of the American Academy of Actuaries (MAAA), and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

GRS

Maine Public Employees Retirement System

Actuarial Audit of the June 30, 2025 Actuarial Valuations

800.521.0498 | P: 248.799.9000 | www.grsconsulting.com

September 1, 2026

Board of Trustees
Maine Public Employees Retirement System (MainePERS)
c/o Bill Brown, Director, Actuarial and Legislative Affairs
P.O. Box 349Augusta, ME 04332-0349

Re: Actuarial Audit Services

Dear Board Members:

Gabriel, Roeder, Smith & Company (GRS) is pleased to present this report of an Actuarial Audit of the June 30, 2025 Actuarial Valuations of the MainePERS. We are grateful to the MainePERS staff for their cooperation throughout the actuarial audit process. In addition, we wish to thank Bonnie Rightnour and Greg Reardon of Cheiron (retained actuary) for their responsive and timely assistance with this project.

The actuarial audit has several related objectives:

- Verify the demographic data through independent collection and processing;
- Review whether the assumptions and methods are reasonable, consistent, appropriate, and compliant with Actuarial Standards of Practice, Board policy, and applicable State Law;
- Express an actuarial opinion regarding the reasonableness and/or accuracy of valuation results based upon a test using a mathematical model of plan activity or sampling.
- Review of actuarial reports for completeness, clarity, and conformance with actuarial standards; and
- Develop recommendations for potential improvements to the actuarial valuations.

The actuarial audit consisted of a level II sampling audit of the June 30, 2025 valuations. It is possible for critical or material issues that are not apparent in the review of valuation reports to be identified in the replication valuation process. It is also important to keep in mind that an actuarial audit is not guaranteed to find all existing material issues.

This actuarial audit was performed at the request of the MainePERS and may be shared with other interested parties only with the permission of the MainePERS. If shared with other parties, it should be shared in its entirety.

Our review found no critical issues. We have identified several points for the MainePERS and the retained actuary to consider.

The results of the audit are subdivided into the following categories:

- Purpose and Scope of the Audit
- Review of Data
- Review of Actuarial Valuation Results
- Review of Actuarial Assumptions and Methods
- Review of Actuarial Valuation Reports

In addition, the GRS results in this report were prepared using ProVal's valuation model, a software product of Winklevoss Technologies. We are relying on the ProVal model. We performed tests of the ProVal model with this assignment and made a reasonable attempt to understand the developer's intended purpose of, general operation of, major sensitivities and dependencies within, and key strengths and limitations of the ProVal model. In our professional judgment, the ProVal valuation model has the capability to provide results that are consistent with the purposes of the valuation and has no material limitations or known weaknesses.

Jeffrey T. Tebeau, Rebecca L. Stouffer, and Craig Graby are Members of the American Academy of Actuaries (MAAA), and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

The signing actuaries are independent of the plan sponsor.

If you have any questions regarding this report or need additional information, please do not hesitate to contact us.

Respectfully submitted,
Gabriel, Roeder, Smith & Company

Jeffrey T. Tebeau, FSA, EA, MAAA, FCA
Senior Consultant & Actuary

Rebecca L. Stouffer, ASA, MAAA, FCA
Senior Consultant & Actuary

Craig Graby, EA, MAAA, FCA
Senior Consultant & Actuary

Table of Contents

EXECUTIVE SUMMARY

Executive Summary

Background

Gabriel, Roeder, Smith & Company (GRS) was asked to perform an actuarial audit of the work performed by Cheiron (retained actuary) for the Maine Public Employees Retirement System (MainePERS).

The objective of the audit was to validate the liabilities for the MainePERS using reasonable assumptions and methods and applicable benefit provisions. This audit employed a Level II or sample life audit of the liabilities of the MainePERS as well as a review of the various components (data, benefit provisions, assumptions, methods, financial information, etc.) used in the actuarial valuations.

In addition to the published valuation results and readily accessible information concerning the MainePERS, we reviewed the requested sample lives from the retained actuary.

The summary of our findings for each respective category is shown below and subsequent sections of this report provide the in-depth analysis for each.

Replication of Actuarial Valuation Results Findings

GRS replicated the retained actuary's results within acceptable tolerances.

We were able to closely replicate the principal valuation results based on the data provided, the assumptions and methods disclosed in the actuarial valuation reports, and our understanding of the benefit provisions of the MainePERS. We replicated the present value of benefits, which is the foundational liability calculations to within one percent at the plan level for each group. The audit validates the findings of the 2025 actuarial valuation reports. See Section C for additional details regarding the replication findings.

	Present Value Future Benefits (PVFB)			
	Retained		Difference	
Plan	Actuary	GRS	$	%
State and Teacher Retirement Program	6,923,860	6,942,385	18,525	0.3%
Consolidated Plan for Participating Local Districts	3,916,829	3,941,331	24,502	0.6%
Judicial Retirement Program	2,468,474	2,463,730	(4,744)	-0.2%
Legislative Program	228,903	230,289	1,386	0.6%
Total All Systems	13,538,066	13,577,735	39,669	0.3%

Executive Summary

Summary of Findings

This section of the report summarizes the recommendations made in this audit. Refer to each section for a full description of the recommendation.

Review of Data

- Data Processing Notebook - We recommend expanding the documentation of this process within the Data Processing Notebook, internal staff reference and consistent review from year-to-year.
- ASOP No. 23 Report Disclosures - We recommend enhancing valuation report disclosures to include the main data adjustments that are being applied. These are presently disclosed in the Data Processing Notebook.
- No Age Disability - We recommend a review of the "NoAge" Flag mapping/documentation for PLD participants.

Review of Actuarial Assumptions and Methods

- Economic Assumptions – We recommend, in years coincident with a full experience study that the experience study report continue to contain a section on economic assumptions.
- Salary –
    - Perform the salary analysis net of *actual*, instead of expected, inflation during the study period.
    - Enhance future displays to include exposures.
    - Review whether separate salary assumptions are warranted by gender and/or special vs. regular employment classification.
- Retirement –
    - Legislative Plan - We recommend future experience studies would benefit from the inclusion of a table II-R14 illustrating Legislative experience.
    - Legislative Plan - We recommend ensure consistency between application of retirement rates to the related report disclosures.
    - We recommend the PLD early retirement reduction approximation be confirmed in light of mortality and interest rate assumption changes.
- Termination - We recommend a review for consistency of Legislative application years, even or odd, between the experience study and the valuation report.
- Asset Smoothing Method –
    - We recommend consideration be given to open versus closed recognition and the addition of an asset corridor.
    - We recommend future experience studies include a discussion of the asset smoothing method.
- Amortization Method - We recommend a review or establishing a surplus funding strategy.
- Incidence of Duty or Non-Duty Death –We recommend documenting the rationale for this assumption in a future experience study.
- Gain/Loss monitoring by source – We recommend monitoring and displaying this information by source to assist in setting future assumptions.
- Assumption Update Impact – We recommend expanding this display further to provide a high-level measure of assumption update impact.

Review of Actuarial Valuation Reports

- Board Summary - We recommend including additional detail, possibly in the Risk Assessment and Disclosure Section, of the detail by source.
- Risk Assessment and Disclosure - We recommend including a historical chart of asset leverage ratios and net cash flow rates in the Judicial and Legislative reports.
- Assets - We recommend considering a separate appendix document for disclosure purposes.
- Liabilities – We recommend the retained actuary provide additional description within the reports, as to the purpose of including the PVAB.
- Appendix A – Membership Information
    - We recommend enhancing the Distribution of Active Members to include a brief breakdown by Tier where applicable.
    - We recommend a few enhancements to the Reconciliation charts.
- Appendices B, C, and D: Summary of Program Provisions, Actuarial Assumptions and Methods, and Glossary of GASB Terms
    - We recommend moving the bulk of these sections, and a portion of the Asset section, to a separate Appendix document.
    - We recommend enhancements to select disclosures.
    - We recommend separating the disclosures of the Actuarial Cost Method and Amortization Method.
- Other –
    - We recommend reviewing the reports to ensure they meet Web Content Accessibility Guidelines (WCAG) requirements in advance of federal compliance dates, during 2027.

Formal Opinion and Conclusion

The auditing actuarial firm, Gabriel, Roeder, Smith & Company, is independent of the retained actuarial firm, Cheiron. The auditing actuaries are not aware of any conflict of interest that would impair the objectivity of this work.

In the opinion of the auditing actuaries, the work of the retained actuaries fairly represents the financial position of the four plans that were audited. In particular:

- The actuarial assumptions and methods are reasonable and comply with generally accepted actuarial principles, State Law, and Board Regulations.
- With a few potential exceptions, the retained actuary is processing the data correctly.
- The retained actuary's actuarial valuation results, including accrued liability, normal cost, and expected contributions are correct to within acceptable tolerances.

We have presented suggestions for areas where we believe the product can be improved. Of course, the retained actuary has access to information and a long history of experience with MainePERS that we do not have. We understand that the retained actuary may agree with some of our recommendations, while rejecting others. We ask that the retained actuary and the Board consider our recommendations carefully. We hope that MainePERS and the retained actuary find these suggestions useful.

SECTION A

PURPOSE AND SCOPE OF THE AUDIT

Purpose and Scope of the Audit

Purpose of the Audit

The purpose of this audit is to provide the Board with an independent review of the actuarial valuations to ensure the accuracy and completeness of calculations and that the assumptions and methods employed are reasonable. This audit consisted of a sample case replication actuarial audit based on the actuarial assumptions, methods, benefit provisions, and procedures used in, and the resulting conclusions from the June 30, 2025, actuarial valuations prepared by the MainePERS' consulting actuary, Cheiron.

This actuarial audit addresses the following areas:

- Reasonableness of Actuarial Assumptions, Methods and Funding Policy;
- Application of Actuarial Assumptions and Benefit Plan Provisions;
- Actuarial Valuation Reports Content, Detail, Format and Clarity;
- Review of Contribution Rates and Funded Ratios; and
- Actuarial Principles and Practices Employed by the Actuary.

Scope of the Audit

At the commencement of this engagement, we requested the information necessary to thoroughly review the work product of the retained actuary. Specifically, we received, or downloaded from the MainePERS website, and reviewed the following items:

- Actuarial valuation reports as of June 30, 2025;
- A full set of census data for plan participants and beneficiaries as of June 30, 2025 used by the retained actuary for the actuarial valuations;
- Detailed individual calculations from the retained actuary for a sampling of active, retired and deferred vested plan participants as of June 30, 2025;
- Member Handbooks;
- The current MainePERS target asset allocation; and
- A draft version of the June 30, 2025 Experience Study.

In performing our review, we:

- Reviewed the Member Handbooks, and plan documents and applicable statutes, as necessary, to understand the benefits provided by the MainePERS;
- Reviewed the actuarial valuation reports;
- Reviewed the experience study reports and appropriateness of the actuarial assumptions; and
- Reviewed the detailed liability calculation of the sample lives to ensure that the calculations were consistent with the stated plan provisions, actuarial methods and assumptions.

The entire review, which follows, is based on our review of this information and subsequent correspondence with the retained actuary, Cheiron, for clarification and further documentation.

SECTION B

REVIEW OF DATA

Review of Data

Actuarial Standard of Practice No. 23 - Data Quality - provides guidance to actuaries when performing actuarial services involving data. This guidance covers the selection, reasonability, adjustments, and disclosures related to the data. GRS received June 30, 2025 participant information from both MainePERS Staff, the “raw data” and the retained actuary, the “processed data.” As part of the audit GRS performed a broad review of both participant data sets to ensure consistency in what MainePERS reported to the retained actuary for raw data and what the retained actuary ultimately used as processed data for valuation purposes.

The data received from the retained actuary included active/inactive and retired member information for the various groups: State Employees and Teachers, Judicial, Legislative, and those covered by the Consolidated Plan for Participating Local Districts. It is common for the retained actuary to make some small adjustments to the reported data for valuation purposes. In general, we found the active and retired data supplied by MainePERS to be sufficient to perform the actuarial valuation and the adjustments made by the retained actuary to be reasonable.

Below you will find a table comparing highlights of the valuation data as published in the individual valuation reports and generated upon our review of the valuation data files. You will note that there are generally only minor differences in counts, benefits, and pays. These differences can primarily be attributed to the fact that our results do not include all of the data adjustments/corrections resulting from the data cleaning process between the retained actuary and MainePERS. The largest difference is with the number of inactive due refunds for the PLD group. The liability held for this record type is the contribution balance. With an average balance of approximately $3,300 per record, we do not anticipate a difference of approximately 220 records will have a material impact on valuation results.

	Retained Actuary					
Counts	Judicial	Legislative	State	Teachers	PLD	Total
Active	64	182	13,338	28,240	14,066	55,890
Retired	94	234	16,191	23,887	11,073	51,479
Deferred Vested Members	3	136	3,313	6,090	3,049	12,591
Inactives Due Refunds	1	96	9,839	28,299	10,900	49,135
Total	162	648	42,681	86,516	39,088	169,095
Annual Payroll	$ 10,597,440	$ 4,661,930	$ 1,005,365,088	$ 1,672,881,120	$ 995,732,140	$ 3,689,237,718
Annual Benefit Payments	$ 5,727,123	$ 604,905	$ 382,045,881	$ 671,646,832	$ 228,576,516	$ 1,288,601,257

	GRS					
Counts	Judicial	Legislative	State	Teachers	PLD	Total
Active	64	182	13,338	28,244	14,040	55,868
Retired	94	234	16,211	23,918	11,083	51,540
Deferred Vested Members	3	136	3,298	6,085	3,058	12,580
Inactives Due Refunds	1	95	9,898	28,470	10,683	49,147
Total	162	647	42,745	86,717	38,864	169,135
Annual Payroll	$ 10,597,440	$ 4,651,192	$ 1,013,621,310	$ 1,674,643,248	$ 1,000,532,520	$ 3,704,045,710
Annual Benefit Payments	$ 5,727,124	$ 604,905	$ 382,550,243	$ 672,523,866	$ 228,892,053	$ 1,290,298,191

	% Difference					
Counts	Judicial	Legislative	State	Teachers	PLD	Total
Active	0.0%	0.0%	0.0%	0.0%	-0.2%	0.0%
Retired	0.0%	0.0%	0.1%	0.1%	0.1%	0.1%
Deferred Vested Members	0.0%	0.0%	-0.5%	-0.1%	0.3%	-0.1%
Inactives Due Refunds	0.0%	-1.0%	0.6%	0.6%	-2.0%	0.0%
Total	0.0%	-0.2%	0.1%	0.2%	-0.6%	0.0%
Annual Payroll	0.0%	-0.2%	0.8%	0.1%	0.5%	0.4%
Annual Benefit Payments	0.0%	0.0%	0.1%	0.1%	0.1%	0.1%

We also compared the processed data to the membership counts, pay, and benefits denoted in the published valuation reports. We found no inconsistencies of note between these sources.

We would like to compliment Cheiron regarding the extensive data processing guide, "Maine Data Processing Notebook." This guide provides in-depth instructions on their handling of valuation data and includes also includes:

- A Data dictionary – defining the raw and processed data element name;
- A Summary of data issues and subsequent resolutions; and
- A translation guide for system updates which remapped various codes.

This type of documentation is especially helpful for the client service team to gain insight into the data review, process, and potential complexities which may exist within the data. An example of such a complexity within MainePERS is the handling of multiple employments. In some cases, records are collapsed and in other cases, multiple records are retained.

The Data Processing Notebook is thorough in detailing the data process and potential complexities. There are some limited references about data questions asked of MainePERS regarding the occurrence of unexpected multiple records within the reported data. It is clear however, from the actuarial adjustments implemented, that a more robust review of data is occurring as part of the data process. We recommend expanding the documentation of this process, within the Data Processing Notebook, for internal staff reference and consistent review from year-to-year.

Section 3.4 of ASOP No. 23 relates to the Use of Data and allowance of professional judgment when complete and accurate is not available. In particular, section 3.4 (c) "judgmental adjustments or assumptions can be applied to the data that allow the actuary to perform the analysis. Any judgmental adjustments to data or assumptions should be disclosed in accordance with section 4.1(f)…."

Section 4.1 of ASOP No. 23 relates to communication and disclosure requirements; section 4.1 (f) "in summary form, significant judgmental adjustments or assumptions that the actuary applied to the data or to the results, or are known by the actuary to have been applied to the data, to allow the actuary to perform the analysis, as discussed in section 3.4(c)"

We recommend enhancing valuation report disclosures to include the main data adjustments that are being applied. These are presently disclosed in the Data Processing Notebook. Under 4.1(f) we recommend these disclosures be added to the assumptions and methods section of the individual valuation reports.

Specific disclosures relate to:

- Application of a minimum part-time accrual rate;
- Various salary adjustments for annualization and accounting for part-time accruals;
- Application of a Final Average Compensation Floor;
- Spouse Date of Birth (Update to the +/- two year family composition assumption recommended in the experience study, if applicable to exiting retirees.)

Finally, we recommend a review of the "NoAge" Flag documentation for PLD participants. This flag is used to determine the disability benefit in case of a decrement of this type. All active PLD members are flagged with a "0" in processed data. A zero indicates the old disability provisions with a minimum of 66.67% of final average compensation benefit minimum.

SECTION C

REVIEW OF TEST CASES

Review of Test Cases

In order to assist us in determining if the June 30, 2025 actuarial valuations completed by Cheiron for the MainePERS: (1) are calculated based on the benefit provisions specified in the Maine Pension Code; and (2) appropriately apply the actuarial assumptions and methods disclosed in the June 30, 2025 actuarial valuation reports, GRS requested individual sample participant calculations (i.e., test lives) from the retained actuary.

Valuation results were provided by the retained actuary for 54 individual records spanning differing plans, tiers, genders, and optional forms of payment. GRS requested that Cheiron provide sample participant calculations for the sample test lives. For each active member sample life, Cheiron provided the following by decrement (retirement, termination, disability, death): Present Value of Future Benefits (PVFB), Present Value of Future Salaries (PVFS), Actuarial Accrued Liability (AAL) and Normal Cost (NC).
GRS was able to generate individual test life results that were consistent with Cheiron's results and any differences in valuation liabilities were generally within our established tolerances. There are usually slight differences in the application of actuarial assumptions and methods, which are expected due to nuances in the valuation software used by each firm. When looking at individual test life cases, differences may be much larger due to differences in in methods and/or rounding between actuarial software. For this reason, it is also important to consider the variance between the sums of the test cases, which will generally dampen the effect of differences due to rounding. However, the smaller the group of test cases, the larger the acceptable tolerances should be. We have found that the sums of the test cases (actives, retirees and terminated vested) for each of the plans we have reviewed are all within or acceptably close to the tolerance we would have applied to the plan totals when performing a full replication.

A summary of the test cases replicated by GRS follows.

	Count of Test Cases			
Plan	**Active**	**Retired**	**Inactive (Non-Retired)**	**Total All Plans**
State and Teacher Retirement Program	10	12	2	24
Consolidated Plan for Participating Local Districts	9	9	2	20
Judicial Retirement Program	2	2	1	5
Legislative Program	2	2	1	5
Total All Systems	23	25	6	54

Review of Test Cases

Acceptable Tolerance

The table below details the tolerance for matching certain key valuation results:

Item	Tolerance
Present Value of Future Benefits (PVFB)	2%
Actuarial Accrued Liability (AAL)	5%
Total Normal Cost (NC)	5%

Present Value of Future Benefits

In our opinion, given good data, a reasonable set of assumptions, and accurate plan provisions, the most important aspect of an actuarial audit is to reproduce the Present Value of Future Benefits (PVFB). The PVFB represents the liability, as of the valuation date, of all future benefits payable for the members included in the valuation according to the valuation assumptions. A close match for non-active members generally indicates that the interest, mortality, and cost-of-living increase assumptions are applied in a reasonable fashion. A match of active PVFB covers the same items as the inactive, as well as a reasonable application of the plan provisions and pre-retirement assumptions such as expected salary increases and rates of termination, disability, death and retirement.

- We have achieved this replication objective as our measurement of the total PVFB was within 0.3% than the retained actuary’s result aggregated across all test cases provided, and ranges between -0.2% and 0.6% at the individual plan level. The difference in the PVFB varied from plan to plan as well as member classification (i.e., active, retired, etc.), but were still generally within our tolerances.

Review of Test Cases

A. Active Members

Plan	Present Value Future Benefits (PVFB) Retained Actuary	GRS	Difference $	%
State and Teacher Retirement Program	3,593,030	3,610,939	17,909	0.5%
Consolidated Plan for Participating Local Districts	1,434,033	1,458,057	24,024	1.7%
Judicial Retirement Program	1,461,159	1,462,202	1,043	0.1%
Legislative Program	146,375	147,741	1,366	0.9%
Total All Systems	6,634,597	6,678,939	44,342	0.7%

B. Retired Members

Plan	Present Value Future Benefits (PVFB) Retained Actuary	GRS	Difference $	%
State and Teacher Retirement Program	3,255,454	3,256,266	812	0.0%
Consolidated Plan for Participating Local Districts	2,431,576	2,431,791	215	0.0%
Judicial Retirement Program	785,677	785,208	(469)	-0.1%
Legislative Program	52,248	52,408	160	0.3%
Total All Systems	6,524,955	6,525,673	718	0.0%

C. Inactive Non-Retired Members

Plan	Present Value Future Benefits (PVFB) Retained Actuary	GRS	Difference $	%
State and Teacher Retirement Program	75,376	75,180	(196)	-0.3%
Consolidated Plan for Participating Local Districts	51,220	51,483	263	0.5%
Judicial Retirement Program	221,638	216,320	(5,318)	-2.4%
Legislative Program	30,281	30,140	(141)	-0.5%
Total All Systems	378,514	373,123	(5,391)	-1.4%

D. All Member Types

Plan	Present Value Future Benefits (PVFB) Retained Actuary	GRS	Difference $	%
State and Teacher Retirement Program	6,923,860	6,942,385	18,525	0.3%
Consolidated Plan for Participating Local Districts	3,916,829	3,941,331	24,502	0.6%
Judicial Retirement Program	2,468,474	2,463,730	(4,744)	-0.2%
Legislative Program	228,903	230,289	1,386	0.6%
Total All Systems	13,538,066	13,577,735	39,669	0.3%

The next pages include more detailed results by member type and system, and also further detail by each individual test life replicated.

Review of Test Cases

Actuarial Accrued Liability and Normal Cost

The Actuarial Accrued Liability (AAL) is the portion of the PVFB that is assigned to past service by the actuarial cost method. For retirees and terminated members, the AAL is equal to the PVFB since all of their service is in the past.

- We have achieved our replication objective for retirees and inactive non-retired members as well, as our measurement of the total PVFB was within 0.0% for retirees and -1.4% for terminated members. Reviewing more detailed results, reveals only one retired and one inactive non-retired records with a difference in PVFB greater than +/- 1%.

Therefore, the main focus is on the active member AAL. In general, the AAL is more difficult to match due to variations in the algorithms employed by different actuarial software.

- We were able to replicate the active member AAL within 5% of the retained actuary's result.

A. Active Members	Entry Age Accrued Liability (EAAL)			
	Retained		Difference	
Plan	Actuary	GRS	$	%
State and Teacher Retirement Program	2,654,037	2,588,078	(65,959)	-2.5%
Consolidated Plan for Participating Local Districts	761,840	748,356	(13,484)	-1.8%
Judicial Retirement Program	892,158	858,482	(33,676)	-3.8%
Legislative Program	110,016	107,678	(2,338)	-2.1%
Total All Systems	4,418,051	4,302,594	(115,457)	-2.6%

The portion of the PVFB that is assigned to the future is the normal cost, or the cost assigned in each future year for the active members to accrue an additional year of service. Taking the present value of these normal costs results in the Present Value of Future Normal Costs (PVFNC). Similar difficulties to matching the AAL exist when attempting to replicate the PVFNC, which is then passed on to the normal cost, or the cost assigned to the current year. Due to the relationship between the AAL and the PVFNC, calculating an AAL that is higher will result in the PVFNC being lower, and vice versa.

- The total normal cost for the plan year end 2025 was within 6% of the retained actuary's result, which is just outside of our preferred tolerance. However, as previously discussed, a small number of sample lives will generally result in a greater variance, but we have also identified some areas where the discrepancy may lie.

A. Active Members	Entry Age Normal Cost (EANC)			
	Retained		Difference	
Plan	Actuary	GRS	$	%
State and Teacher Retirement Program	103,107	112,026	8,919	8.7%
Consolidated Plan for Participating Local Districts	81,401	85,887	4,486	5.5%
Judicial Retirement Program	77,998	78,565	567	0.7%
Legislative Program	7,359	8,430	1,071	14.6%
Total All Systems	269,864	284,908	15,044	5.6%

Review of Test Cases

A. Active Test Cases

		Present Value Future Benefits (PVFB)			
		Retained		Difference	
ID	Plan	Actuary	GRS	$	%
303312	State Regular Tier 1	$248,186	$248,478	$292	0.1%
382650	State Regular Tier 2	$665,003	$663,972	-$1,031	-0.2%
1139697	State Regular Tier 3	$142,266	$138,939	-$3,327	-2.3%
350783	State 1998 Special Plan	$344,110	$369,969	$25,859	7.5%
670192	State 25 & Out Plan	$587,691	$585,835	-$1,856	-0.3%
402316	State Fire Marshals	$275,034	$275,103	$69	0.0%
209461	Teacher Regular Tier 1	$239,534	$239,169	-$365	-0.2%
218423	Teacher Regular Tier 2	$674,827	$673,102	-$1,725	-0.3%
385505	Teacher Regular Tier 2	$368,309	$368,152	-$157	0.0%
401136	Teacher Regular Tier 3	$48,070	$48,220	$150	0.3%
274827	PLD AC Tier 1	$225,223	$225,656	$433	0.2%
1031993	PLD AC Tier 2	$76,974	$77,623	$649	0.8%
403507	PLD AN Tier 1	$346,701	$348,893	$2,193	0.6%
882798	PLD AN Tier 2	$61,859	$64,011	$2,152	3.5%
203374	PLD BC Tier 1	$237,698	$247,083	$9,385	3.9%
1211510	PLD BC Tier 2	$39,302	$43,581	$4,279	10.9%
1166270	PLD 1N	$177,375	$174,833	-$2,541	-1.4%
484393	PLD 2C	$97,003	$102,722	$5,719	5.9%
1283405	PLD 3C	$171,899	$173,654	$1,755	1.0%
322424	Judges Tier 2	$936,807	$930,960	-$5,847	-0.6%
1278497	Judges Tier 3	$524,352	$531,242	$6,890	1.3%
318751	Legislative Tier 2	$109,602	$111,590	$1,988	1.8%
395568	Legislative Tier 3	$36,772	$36,151	-$621	-1.7%

A. Active Test Cases - Alternate

		Present Value Future Benefits (PVFB)			
		Retained		Difference	
ID	Plan	Actuary	GRS	$	%
318751	Legislative Tier 2	$109,602	$110,704	$1,102	1.0%
395568	Legislative Tier 3	$36,772	$36,869	$97	0.3%

Test case (350783), Test case (12011510), and Test case (484393) – These test cases have a GRS replicated PVFB higher than the retained actuary. The difference for each record is primarily related to the termination decrement, with GRS replication results much higher than the retained actuary in each instance. Given how closely GRS replicated the termination decrement results for the other sample lives, we recommend a review of the termination decrement modeling for these three test cases. Alternatively, additional test case detail related to the termination decrement will allow us to further investigate differences between GRS and retained actuary's modeling.

Review of Test Cases

Present Value of Future Salary

The Present Value of Future Benefits (PVFS). The PVFS represents the value, as of the valuation date, of all future salary payable for the members included in the valuation according to the valuation assumptions. A close match generally indicates a reasonable application of the interest, mortality, and pre-retirement assumptions such as expected salary increases and rates of termination, disability, death and retirement.

Additional active detail follows, including the split of entry age accrued liability and entry age normal cost and the PVFS. Examination of the PVFS reveals an exceptionally close match for all but three active test cases.

Test case (318751) and Test case (395568) – These test cases are in the legislative plans where special assumptions with retirement and termination decrements occurring every other year. We prepared an alternate with, retirement rates were applied in even years and set to 0 in odd years. The result is a much closer alignment of PVFS and also PVFB. We recommend review of modeling to confirm the application of the retirement decrements.

Test case (1166270) – This test case has a difference in PVFS slightly larger than other records, however the PVFB is well within acceptable tolerance levels and we do not believe additional review is necessary at this time.

Review of Test Cases

A. Active Test Cases

ID	Plan	Entyr Age Accrued Liability (EAAL) Retained Actuary	GRS	Difference $	%	Entry Age Normal Cost (EANC) Retained Actuary	GRS	Difference $	%	Present Value Future Salary (PVFS) Retained Actuary	GRS	Difference $	%
303312	State Regular Tier 1	$199,070	$197,810	-$1,260	-0.6%	$12,102	$12,487	$385	3.2%	$218,530	$218,484	-$46	0.0%
382650	State Regular Tier 2	$532,478	$530,204	-$2,274	-0.4%	$12,756	$12,876	$120	0.9%	$1,421,856	$1,421,797	-$59	0.0%
1139697	State Regular Tier 3	$47,567	$47,016	-$551	-1.2%	$7,278	$7,065	-$213	-2.9%	$944,379	$944,276	-$103	0.0%
350783	State 1998 Special Plan	$265,964	$278,719	$12,755	4.8%	$8,243	$9,625	$1,382	16.8%	$699,080	$699,087	$7	0.0%
670192	State 25 & Out Plan	$406,792	$381,853	-$24,939	-6.1%	$17,930	$20,221	$2,291	12.8%	$1,539,238	$1,539,078	-$160	0.0%
402316	State Fire Marshals	$103,677	$78,794	-$24,883	-24.0%	$18,313	$20,979	$2,666	14.6%	$941,654	$941,666	$12	0.0%
209461	Teacher Regular Tier 1	$222,938	$222,201	-$737	-0.3%	$5,444	$5,566	$122	2.2%	$85,111	$85,111	$0	0.0%
218423	Teacher Regular Tier 2	$592,370	$582,482	-$9,888	-1.7%	$9,669	$10,626	$957	9.9%	$932,988	$932,988	$0	0.0%
385505	Teacher Regular Tier 2	$275,406	$265,389	-$10,017	-3.6%	$7,880	$8,717	$837	10.6%	$1,043,329	$1,043,281	-$48	0.0%
401136	Teacher Regular Tier 3	$7,777	$3,610	-$4,167	-53.6%	$3,490	$3,864	$374	10.7%	$353,648	$353,645	-$3	0.0%
274827	PLD AC Tier 1	$181,775	$176,953	-$4,822	-2.7%	$12,936	$14,501	$1,565	12.1%	$219,013	$218,995	-$18	0.0%
1031993	PLD AC Tier 2	$7,441	$7,476	$34	0.5%	$7,711	$7,780	$69	0.9%	$619,977	$619,928	-$49	0.0%
403507	PLD AN Tier 1	$247,391	$232,481	-$14,910	-6.0%	$9,688	$11,356	$1,668	17.2%	$1,053,042	$1,053,017	-$25	0.0%
882798	PLD AN Tier 2	$18,478	$19,501	$1,024	5.5%	$3,905	$3,993	$88	2.3%	$534,142	$535,967	$1,825	0.3%
203374	PLD BC Tier 1	$208,520	$208,341	-$179	-0.1%	$4,731	$6,281	$1,551	32.8%	$521,288	$521,288	$0	0.0%
1211510	PLD BC Tier 2	$13,287	$12,800	-$487	-3.7%	$3,080	$3,644	$564	18.3%	$337,527	$337,482	-$45	0.0%
1166270	PLD 1N	$33,313	$36,631	$3,318	10.0%	$18,769	$17,269	-$1,501	-8.0%	$809,959	$844,554	$34,595	4.3%
484393	PLD 2C	$22,053	$23,607	$1,554	7.0%	$6,978	$7,368	$390	5.6%	$504,081	$503,853	-$228	0.0%
1283405	PLD 3C	$29,580	$30,565	$984	3.3%	$13,603	$13,696	$92	0.7%	$830,339	$829,237	-$1,102	-0.1%
322424	Judges Tier 2	$816,514	$818,337	$1,823	0.2%	$42,987	$40,246	-$2,741	-6.4%	$418,836	$418,836	$0	0.0%
1278497	Judges Tier 3	$75,644	$40,145	-$35,499	-46.9%	$35,011	$38,319	$3,308	9.4%	$2,041,583	$2,041,583	$0	0.0%
318751	Legislative Tier 2	$95,073	$96,123	$1,050	1.1%	$3,004	$3,389	$385	12.8%	$120,488	$99,454	-$21,034	-17.5%
395568	Legislative Tier 3	$14,943	$11,555	-$3,388	-22.7%	$4,355	$5,041	$686	15.8%	$124,959	$112,503	-$12,456	-10.0%

A. Active Test Cases - Alternate

ID	Plan	Entyr Age Accrued Liability (EAAL) Retained Actuary	GRS	Difference $	%	Entry Age Normal Cost (EANC) Retained Actuary	GRS	Difference $	%	Present Value Future Salary (PVFS) Retained Actuary	GRS	Difference $	%
318751	Legislative Tier 2	$95,073	$93,177	-$1,896	-2.0%	$3,004	$3,803	$799	26.6%	$120,488	$114,787	-$5,701	-4.7%
395568	Legislative Tier 3	$14,943	$11,408	-$3,535	-23.7%	$4,355	$5,156	$801	18.4%	$124,959	$123,105	-$1,854	-1.5%

The allocation to Normal Cost and Accrued Liability is also important in determining contribution levels, this allocation will vary more from case to case. Differences in valuation software application can lead to variation when developing Normal Cost and Accrued Liability.

Review of Test Cases

B. Retired Test Cases

ID	Plan	Payment Form	Type	Monthly Benefit	Present Value Future Benefits (PVFB) Retained Actuary	GRS	Difference $	%
395415	State	Option 1	Retiree	$556.91	$56,825	$57,778	$953	1.7%
816071	State	Option 2	Retiree	$542.42	$89,305	$89,583	$278	0.3%
296978	State	Option 8	Retiree	$936.55	$158,591	$159,914	$1,323	0.8%
13073	State	Ordinary	Disabled	$1,525.85	$119,955	$120,303	$348	0.3%
52710	State	Ordinary	Disabled	$2,755.51	$353,248	$354,117	$869	0.2%
37840	State	Option 2	Beneficiary	$2,342.80	$222,963	$223,664	$701	0.3%
53457	State	Auto II	Beneficiary	$1,606.35	$276,097	$276,925	$828	0.3%
282035	Teachers	Full Benefit	Retiree	$2,015.82	$315,240	$316,183	$943	0.3%
215988	Teachers	Option 3	Retiree	$3,072.80	$561,007	$559,366	-$1,641	-0.3%
211673	Teachers	Option 4	Retiree	$6,482.41	$783,311	$778,643	-$4,668	-0.6%
53391	Teachers	Ordinary	Disabled	$2,399.75	$237,106	$237,753	$647	0.3%
13148	Teachers	Option 7	Beneficiary	$1,523.58	$81,806	$82,037	$231	0.3%
282266	PLD	Full Benefit	Retiree	$1,641.22	$276,948	$276,994	$46	0.0%
54720	PLD	Option 5	Retiree	$3,402.50	$460,516	$460,567	$51	0.0%
354436	PLD	Option 3	Retiree	$2,632.84	$454,465	$454,518	$53	0.0%
248048	PLD	Option 4	Retiree	$3,462.79	$608,729	$608,745	$16	0.0%
400789	PLD	Option 8	Retiree	$965.08	$132,491	$132,510	$19	0.0%
8280	PLD	Ordinary	Disabled	$2,149.54	$250,050	$250,050	$0	0.0%
18059	PLD	Occupational	Disabled	$501.93	$22,228	$22,228	$0	0.0%
406358	PLD	Auto II	Beneficiary	$682.61	$128,065	$128,065	$0	0.0%
19557	PLD	Option 2	Beneficiary	$1,110.73	$98,084	$98,114	$30	0.0%
34317	Judges	Full Benefit	Retiree	$5,975.97	$582,120	$582,988	$868	0.1%
27243	Judges	Option 3	Retiree	$3,374.30	$203,557	$202,220	-$1,337	-0.7%
362474	Legislative	Option 6	Retiree	$204.08	$43,163	$43,293	$130	0.3%
31055	Legislative	Option 2	Beneficiary	$166.38	$9,085	$9,115	$30	0.3%

C. Inactive Non-Retired Test Cases

ID	Plan	Payment Form	Type	Monthly Benefit	Present Value Future Benefits (PVFB) Retained Actuary	GRS	Difference $	%
387560	State			$4,709.74	$29,695	$29,658	-$37	-0.1%
397950	Teachers			$11,260.77	$45,680	$45,522	-$158	-0.3%
620637	PLD			$6,410.65	$24,596	$24,782	$186	0.8%
376841	PLD		W/o COLA	$4,032.58	$26,624	$26,701	$77	0.3%
968820	Judges			$29,401.98	$221,638	$216,320	-$5,318	-2.4%
856012	Legislative			$2,429.40	$30,281	$30,140	-$141	-0.5%

Note: We believe the level of match between GRS and the retained actuary for Retired and Inactive Non-Retired lives generally indicates that the interest, mortality, and cost-of-living increase assumptions are applied in a reasonable fashion and consistent with valuation disclosures.

Review of Test Cases

Conclusion Regarding Test Case Review

GRS was able to generate individual test life results that were consistent with Cheiron's results and any differences in valuation liabilities were generally within our established tolerances. Therefore, we have a high degree of confidence that the liabilities of the MainePERS accurately reflect the benefit provisions of the plans and the assumptions and method as disclosed in the actuarial valuation reports. We have the following recommendations for current and future valuations:

- Termination Benefit for Actives – We recommend a review of the termination decrement modeling for the three outlier test cases. Alternatively additional test case detail related to the termination decrement will allow us to further investigate differences between GRS and retained actuary's modeling.
- Legislative Actives – We recommend review of modeling to confirm the application of the retirement decrements.
- Test case selection – A level II audit is not a full replication, rather a test of a sampling of records. As discussed, the sample lives provided spanned multiple differing plans, tiers, genders, and optional form elections. This provided a broad cross section for testing. We recommend the next scheduled audit include sample lives with the following characteristics in order to test some of the additional complexities of the plan.
    - Have multiple raw records that need to be collapsed for modeling purposes;
    - Have service accrual that differs from 1.0; and
    - A PLD active member with accruals across multiple classes.

SECTION D

REVIEW OF ACTUARIAL ASSUMPTIONS AND METHODS

Review of Actuarial Assumptions and Methods

Overview

For any pension plan, actuarial assumptions are selected that are intended to provide reasonable estimates of future expected events, such as the plan's investment returns, interest crediting, and patterns of retirement, turnover and mortality. These assumptions, along with an actuarial cost method, an asset valuation method, the employee census data and the plan's provisions are used to determine the actuarial liabilities and overall actuarially determined funding requirements for the plan.

A single set of assumptions is typically not expected to be suitable forever. As the actual experience unfolds or the future expectations change, the assumptions should be reviewed and adjusted accordingly. Use of outdated or inappropriate assumptions can result in understated costs which will lead to higher future contribution requirements or perhaps an inability to pay benefits when due; or, on the other hand, produce overstated costs which place an unnecessarily large burden on the current generation of members, employers, and taxpayers.

We have reviewed Cheiron's actuarial valuation reports as of June 30, 2025, the Economic Assumptions Review powerpoint dated June 11, 2026, as well as the draft experience study report dated June 16, 2026, in detail in order to assess the reasonableness of the assumptions recommended for use in future actuarial valuations.

The purpose of an experience study is to evaluate the continued appropriateness of the actuarial assumptions used in the annual actuarial valuation by comparing actual experience to expected experience. Understanding that recent prior experience tends to be a good indicator of future experience, we generally recommend an experience study be performed every three to five years, or sooner, if warranted.

It is important to understand the nature of the retirement system and the plan sponsor when assessing the reasonableness of the actuarial assumptions. No projection of future events can be labeled as "correct" or "incorrect." Setting actuarial assumptions involves professional judgment that is both an art and a science.

MainePERS Experience Study July 1, 2020 to June 30, 2025

Cheiron conducted an experience study in order to evaluate the continued appropriateness of the actuarial assumptions used in the annual actuarial valuations by comparing actual experience to expected experience. Cheiron made recommendations for updates to a number of the actuarial assumptions and the MainePERS Board of Trustees was presented these recommendations in July of 2026. All of the recommended assumptions are expected to be first used in the June 30, 2026 MainePERS actuarial valuations.

The Actuarial Standards Board ("ASB") provides guidance on measuring the costs of financing a retirement program through the following Actuarial Standards of Practices ("ASOPs"):

(1) ASOP No. 4, *Measuring Pension Obligations and Determining Pension Plan Costs or Contributions*;
(2) ASOP No. 27, *Selection of Assumptions for Measuring Pension Obligations*;
(3) ASOP No. 44, *Selection and Use of Asset Valuation Methods for Pension Valuations*; and
(4) ASOP No. 51, *Assessment and Disclosure of Risk Associated with Measuring Pension Obligations and Determining Pension Plan Contributions*.

Actuarial assumptions for the valuation of retirement plans are generally classified within two major categories: (i) economic assumptions (the money assumptions); and (ii) demographic assumptions (the people assumptions). We have assessed the reasonableness of both categories of actuarial assumptions as part of this actuarial audit.

Economic Assumptions

We reviewed the economic assumptions in the context of ASOP No. 27, Selection Assumptions for Measuring Pension Obligations.

Economic assumptions that we reviewed include the following:

(1) Inflation
(2) Assumptions for Cost of Living Adjustments (COLA)
(3) Investment return (generally used as the discount rate for public plan valuations)

In selecting economic assumptions, the actuary relies on many different experts (e.g., investment consultants) for data and analysis. However, as required by ASOP No. 27, "An actuary may rely on the expertise of others (including actuaries not performing actuarial services) in the fields of knowledge used in the selection of the assumption. However, the actuary should be reasonably satisfied that the reliance is appropriate…" Therefore, our review of the actuarial assumptions and methods for this audit considers the reasonableness of the economic assumptions used, given the information provided.

Wage Inflation

Wage inflation consists of two components, 1) a portion due to pure price inflation (i.e., increases due to changes in the CPI), and 2) increases in average salary levels in excess of pure price inflation (i.e., increases due to changes in productivity levels, supply and demand in the labor market and other macroeconomic factors).

Price inflation as measured by annual increases in the Consumer Price Index (CPI). This assumption underlies and is the building block for most of the other economic assumptions, including the investment return, salary increases, and total payroll growth. In addition, because the MainePERS provides retirees a Cost-of-Living Adjustment (COLA) that is based on the annual increase in CPI, future increases in CPI have a direct result on future benefit payments and thus the liabilities measured in the actuarial valuations.

The price inflation assumption recommended in the June 2026 PowerPoint is 2.75%. Over the five-year period ending December 2025, the CPI-U has increased at an average rate of 4.5%.

The table below shows the average inflation over various periods. A measure of productivity, increases in average salary levels in excess of pure price inflation are often examined through the difference in the Annual Increase in National Average Earnings (NAE) and the Annual Increase in Prices (CPI). The chart below illustrates the history of this experience.

Calendar Year	Annual Increase in Prices (CPI)	Annual Increase in Wages (NAE)	Difference
1966-1975	5.7%	6.4%	0.7%
1976-1985	7.0%	6.9%	-0.1%
1986-1995	3.5%	3.9%	0.4%
1996-2005	2.5%	4.1%	1.6%
2026-2015	1.9%	2.7%	0.8%
2016-2025	3.2%	4.2%	1.0%
3-Year Average	3.0%	4.2%	1.2%
5-Year Average	4.5%	5.4%	0.9%
10-Year Average	3.2%	4.2%	1.0%
20-Year Average	2.5%	3.4%	0.9%
25-Year Average	2.5%	3.3%	0.8%
30-Year Average	2.5%	3.6%	1.1%
40-Year Average	2.8%	3.7%	0.9%
50-Year Average	3.6%	4.3%	0.7%

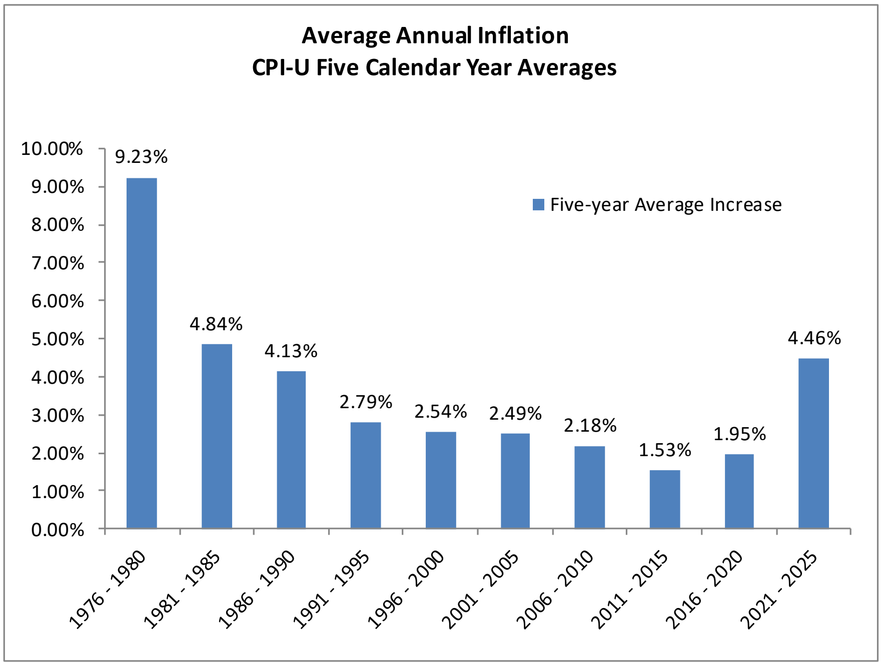
Source: U.S. Bureau of Labor Statistics

It is expected that, in the long run, salary increases in all parts of the country will be close to the national averages. However, none of the data we have reviewed suggests a repeat of the high inflation rates experienced in the 1970s. The spread between increases in wages and prices has generally ranged between 40-160 basis points over time.

Taking all of this information into consideration, we believe a 2.75% wage inflation assumption, comprised of a 2.25% to 2.50% price inflation and 0.25% to 0.50% assumption for future productivity growth is a reasonable expectation of future wage inflation. We recommend that the retained actuary update the disclosure of inflation assumptions to explicitly differentiate the price inflation component from total wage assumption

Review of Actuarial Assumptions and Methods

The following chart shows the average annual inflation, as measured by the increase in CPI-U, in each of the 10 consecutive five-year periods over the last 50 years.



Source: U.S. Bureau of Labor Statistics

The geometric average annual increase in price inflation was 2.5% per year over the last 30 years, 2.5% over the last 20 years and 3.2% over the last 10 years (ending December 2025).

Since price inflation is relatively volatile and is subject to a number of influences, it is important to not give undue weight to recent experience - we must also consider future expectations as well.

We surveyed the inflation assumption used by nationally recognized financial firms (investment consultants, asset managers and insurance companies) across the country. In our sample of these firms, the inflation assumption ranged from 2.28% to 2.70%, with an average of 2.42% over the next 10 years.

Another point of reference is the Social Security Administration's (SSA) 2026 Trustees Report, in which the Office of the Chief Actuary is projecting a long-term average ultimate annual inflation rate of 1.80% in the high-cost projection scenario, 2.40% under the intermediate (best estimate) cost projection scenario and 3.00% in the low-cost projection scenario. The Social Security Trustees report uses the ultimate rates for their 75-year projections, much longer than the longest horizon we can discern from Treasuries and Treasury Inflation-Protected Securities (TIPS).

Review of Actuarial Assumptions and Methods

The following table presents a summary of inflation rate forecasts from various professional experts.

Forward-Looking Price Inflation Forecasts[a]	
Congressional Budget Office[b]	
5-Year Annual Average	2.48%
10-Year Annual Average	2.39%
Federal Reserve Bank of Philadelphia[c]	
5-Year Annual Average	2.60%
10-Year Annual Average	2.40%
Federal Reserve Bank of Cleveland[d]	
10-Year Expectation	2.47%
20-Year Expectation	2.49%
30-Year Expectation	2.52%
Federal Reserve Bank of St. Louis[e]	
10-Year Breakeven Inflation	2.29%
20-Year Breakeven Inflation	2.43%
30-Year Breakeven Inflation	2.23%
U.S. Department of the Treasury[f]	
10-Year Breakeven Inflation	2.31%
20-Year Breakeven Inflation	2.40%
30-Year Breakeven Inflation	2.24%
50-Year Breakeven Inflation	2.27%
100-Year Breakeven Inflation	2.29%
Social Security Trustees[g]	
Ultimate Intermediate Assumption	2.40%

[a]**End of the Second Quarter, 2026**. Version 2026-07-21 by Gabriel, Roeder, Smith & Company

[b]*The Budget and Economic Outlook: 2026 to 2036* , Release Date: February 2026, Consumer Price Index (CPI-U), Percentage Change from Year to Year, 5-Year Annual Average (2026 - 2030), 10-Year Annual Average (2026 - 2035).

[c]*Second Quarter 2026 Survey of Professional Forecasters* , Release Date: May 15, 2026, Headline CPI, Annualized Percentage Points, 5-Year Annual Average (2026 - 2030), 10-Year Annual Average (2026 - 2035).

[d]Inflation Expectations, Model output date: June 1, 2026.

[e]The breakeven inflation rate represents a measure of expected inflation derived from X-Year Treasury Constant Maturity Securities and X-Year Treasury Inflation-Indexed Constant Maturity Securities. Observation date: June 2026.

[f]The Treasury Breakeven Inflation (TBI) Curve, Monthly Average Rates, June 2026.

[g]*The 2026 Annual Report of The Board of Trustees of The Federal Old-Age And Survivors Insurance and Federal Disability Insurance Trust Funds* , June 9, 2026, p. 12, Key Assumptions and Summary Measures for Long-Range (75-year) Projections, Intermediate, Consumer Price Index (CPI-W).

Cost-of-Living Adjustment (COLA)

Where applicable the COLA for retirees is based on actual inflation as measured by the CPI. The annual COLA effective September 1 of each year is based on a CPI index and is subject to a maximum of 3.00% for State sponsored plans and 2.50% for PLD plans. Cheiron's experience study considers the effect of higher volatility in inflation in the determination of the COLA increase assumption. We find the current assumptions of 2.20% and 1.91%, for State and PLD plan respectively, to be reasonable.

Investment Return

The investment return assumption (also referred to as the actuarial valuation interest rate), is one of the principal assumptions in any actuarial valuation. It is used to discount future expected benefit payments back to the valuation date, which ultimately determines the liability (i.e., present value of benefits) of the retirement plan. Even a small change to this assumption can produce significant changes to the liabilities and contribution rates.

It is important to note that an actuarial investment return assumption based on expected future experience is a single estimate for all years and, therefore, implicitly assumes that returns above and below expectations will "average out" over time. In other words, the expected risk premium is reflected in the assumed rate of investment return in advance of being earned, while investment gains/losses are not reflected until actual experience emerges with each actuarial valuation.

For purposes of budgeting contributions as a level percentage of payroll, the assumed rate of investment return is used as the discount rate to determine the present value of the system's pension obligations. It is the actuarial assumption that has the largest effect on actuarial valuation results. The investment return assumption for the June 30, 2025 valuations is 6.50%.

The retained actuary's proposed assumed rate of return is reasonable if it meets the following criteria:

(1) It is appropriate for the purpose of the measurement;
(2) It reflects the actuary's professional judgment;
(3) It takes into account historical and current economic data that is relevant as of the measurement date;
(4) It reflects the actuary's estimate of future expectations, observations of estimates inherent in market data, or a combination thereof; and
(5) It has no significant bias (i.e., it is not significantly optimistic or pessimistic), except when provisions for adverse deviation or other factors are included.

We recognize that there is no "right" answer in deciding which time horizon to use in establishing the investment return assumption. Some will argue that since public plans are long-term investors, that 20-year to 30-year horizons are more appropriate to use than 10-year horizons for setting the investment return assumption. The retained actuary makes the case for the use of a blend of the expected return on a 20-year horizon and historical experience (30-year average). While we do not believe that longer-term horizons should be ignored, we believe consideration of shorter (10 years or less) horizon expectations can be supported for the following reasons:

(1) While it is true that public plans are long-term investors, most public plans have significant liability commitments coming due in the next 10 to 15 years.
(2) In many instances, we have seen rationale from investment consultants that indicate that their longer-term capital market assumptions assume a resumption of long-term equilibrium relationships between asset classes (i.e., reversion to the mean).
(3) Many investment consulting firms consider 10-year assumptions to be "long term" (page 5 from the 2024 Horizon Survey).
(4) In many instances, it is difficult to rationalize the differences between the 10-year and 20-year capital market assumptions.
(5) A public employee retirement system that fails to meet its return assumptions for a 10-year period is likely to come under pressure to reduce benefits, increase contributions, or both, with the effective end result being that promises that were made are not kept.

GRS' Analysis of the Investment Return Assumption

In order to assess the reasonability of the current MainePERS investment return assumptions, we have performed an independent analysis which considers forward-looking measures of likely investment return outcomes for the asset classes in the current MainePERS investment policy. Because GRS is a benefits consulting firm and does not develop or maintain our own capital market expectations, we request and monitor forward-looking capital market expectations developed by a number of well-known major investment consulting firms. For purposes of this analysis, we have analyzed the MainePERS investment policy in conjunction with the capital market assumptions from 12 nationally recognized investment consultants.

Our analysis is performed using the GRS Capital Market Assumption Modeler (CMAM) tool. We update our CMAM on an annual basis. The capital market assumptions in the 2026 CMAM are from the following firms (in alphabetical order): Aon, Blackrock, BNY Mellon, Callan, Cambridge, JPMorgan, Meketa, Mercer, NEPC, Northern Trust, RVK, Verus, and Wilshire. We believe that the benefit of using capital market expectations from multiple firms is that we can identify the uncertain nature of the items affecting the selection of the investment return assumption. While there may be differences in asset classes, investment horizons, inflation assumptions, treatment of investment expenses, excess manager performance (i.e., alpha), etc., we align the various capital market assumption sets from the different firms in our model to best fit the Fund's investment policy (i.e., target asset allocation) as consistently as possible.

Review of Actuarial Assumptions and Methods

Each firm provided capital market assumptions over an investment horizon of approximately 10 years. Although investment firms often refer to this period as “short term” it is important to remember that 10 years is actually a very long time. Therefore, returns during the next 10 years will affect the plan’s funding materially.

In general, our understanding is that the methodology for developing these capital market expectations is forward-looking, not purely backward-looking. Over the years, we have observed a general decreasing trend in capital market expectations. However, we have also observed that some of the investment firms’ assumption sets are dependent on the market conditions at the time they are developed and consequently may be sensitive to short-term market fluctuations. Some expectations are contrarian – meaning that when the market is high, future expectations are lowered and when the market is low, future expectations are raised. The amount of these fluctuations as they appear in the year-to-year capital market assumptions varies between the various investment firms.

The GRS CMAM reflects the most up-to-date information at the time the data was collected (typically reflecting the investment firms’ expectations at the beginning of the calendar year).

In the charts on the following pages, all returns are net of investment expenses and do not consider excess manager performance (alpha). Importantly, the information in this report is not intended to be construed as investment advice.

The allocation of assets within the universe of investment options will significantly impact the overall performance. Therefore, it is meaningful to identify the range of expected returns based on each Fund’s targeted allocation of investments and an overall set of capital market assumptions.

Our analysis was based on the investment policy target asset allocation from the MainePERS website. The MainePERS target asset allocation is summarized in the following table.

Asset Category	Target Allocation
Public Equities	27.5%
Private Equity	15.0%
Risk Diversifiers	7.5%
Real Assets	22.5%
Alternative Credit	10.0%
Public Fixen Income	17.5%
Strategic Lending	0.0%
Total	**100.00%**

Given the MainePERS’ current target asset allocation and the capital market assumptions from the firms in our survey, the development of the average nominal return, net of investment expenses, is developed in the following manner and shown in the tables on the following pages.

Review of Actuarial Assumptions and Methods

Based on each firm's capital market assumptions, we estimated the expected nominal return of the MainePERS' portfolio (Column 2). We then took out each firm's price inflation assumption (Column 3) to arrive at the real return (Column 4). We then incorporate the price inflation assumption of 2.50% (Column 5) to get the nominal return or the one-year arithmetic return (Column 6). We have shown the standard deviation of returns as the investment risk in Column 9. As the table shows in Column 8, the average one-year nominal return (net of expenses) is 6.99% based on a short-term horizon for the firms included in our 2026 CMAM tool.

Development of the Average One-Year Nominal Return

Short-Term Investment Horizon (10 years or less)

GRS 2026 CMAM								
Capital Market Assumption Set (CMA)	**CMA Expected Nominal Return**	**CMA Inflation Assumption**	**Expected Real Return (2)–(3)**	**Actuary Inflation Assumption**	**Expected Nominal Return (4)+(5)**	**Plan Incurred Administrative Expenses**	**Expected Nominal Return Net of Expenses (6)-(7)**	**Standard Deviation of Expected Return (1-Year)**
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	6.56%	2.50%	4.06%	2.50%	6.56%	0.77%	5.79%	12.69%
2	6.62%	2.30%	4.32%	2.50%	6.82%	0.77%	6.04%	11.79%
3	7.19%	2.43%	4.76%	2.50%	7.26%	0.77%	6.49%	12.37%
4	7.75%	2.51%	5.24%	2.50%	7.74%	0.77%	6.96%	12.14%
5	7.92%	2.70%	5.22%	2.50%	7.72%	0.77%	6.95%	11.22%
6	7.78%	2.30%	5.48%	2.50%	7.98%	0.77%	7.21%	12.64%
7	7.92%	2.30%	5.62%	2.50%	8.12%	0.77%	7.34%	13.55%
8	7.81%	2.28%	5.53%	2.50%	8.03%	0.77%	7.25%	12.02%
9	7.80%	2.31%	5.49%	2.50%	7.99%	0.77%	7.21%	10.46%
10	7.97%	2.30%	5.67%	2.50%	8.17%	0.77%	7.39%	11.67%
11	8.20%	2.52%	5.68%	2.50%	8.18%	0.77%	7.41%	10.60%
12	8.77%	2.62%	6.15%	2.50%	8.65%	0.77%	7.88%	13.87%
Average	**7.69%**	**2.42%**	**5.27%**	**2.50%**	**7.77%**	**0.77%**	**6.99%**	**12.08%**

Source: GRS Analysis

Note that the arithmetic rates of return represent the average future expected return which is higher than the median future expected return. Setting the actuarial valuation assumption at the arithmetic expected return ignores the downward effect of volatility on the accumulation of assets. Consequently, the probability of actually achieving the actuarial assumption compounded over time is less than 50% if it is set at the arithmetic expectation. Therefore, in addition to examining the expected one-year arithmetic return, it is important to review anticipated volatility of the investment portfolio and understand the range of long-term net returns that could be expected to be produced by the investment portfolio.

The next step in our analysis is to compare the probabilities of achieving returns over a 10-year and 20-year horizons. The following table illustrates the 40th, 50th and 60th percentiles of returns as well as the probability of achieving the current assumption of 6.50%, based on a price inflation assumption of 2.50% over a 10-year horizon. Note that the investment horizon for the capital market assumption sets used in this analysis is 10 years.

Distribution of 10-Year Average Returns and Probability of Exceeding 6.50%

GRS 2026 CMAM				
Capital Market Assumption Set (CMA)	Distribution of 10-Year Average Geometric Net Nominal Return			Probability of exceeding
	40th	50th	60th	6.50%
(1)	(2)	(3)	(4)	(5)
1	4.03%	5.03%	6.04%	35.69%
2	4.46%	5.39%	6.33%	38.27%
3	4.80%	5.78%	6.76%	42.60%
4	5.32%	6.28%	7.25%	47.69%
5	5.47%	6.36%	7.26%	48.43%
6	5.47%	6.47%	7.48%	49.69%
7	5.43%	6.50%	7.58%	49.99%
8	5.64%	6.59%	7.54%	50.91%
9	5.88%	6.71%	7.54%	52.52%
10	5.84%	6.76%	7.69%	52.89%
11	6.05%	6.89%	7.73%	54.63%
12	5.91%	7.00%	8.10%	54.59%
Average	**5.36%**	**6.31%**	**7.28%**	**48.16%**

Source: GRS Analysis

The 50th percentile return is also related to the geometric average return. The geometric average of a sequence of returns over a number of years is the compound average of those returns over the number of years compounded. As the number of years in the geometric average increase and if the distributions of returns each year are independent and identically distributed, then the geometric average will converge to the median return. The median return is also a reasonable rate of return for purposes of the actuarial valuation. The average of the 50th percentile returns (based on the price inflation assumption of 2.50%) is 6.31%.

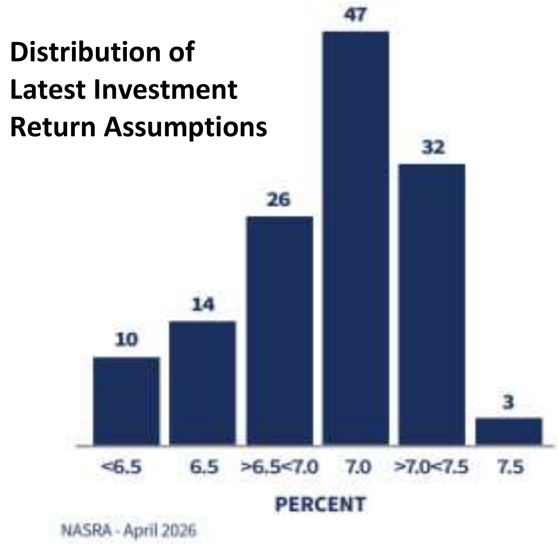
Column 5 of the preceding tables show the estimated probability of achieving the current assumed rate of return of 6.50% over a 10-year period (based on the price inflation assumption of 2.50% and the capital market assumptions from the firms in our survey, with a time horizon of about 10 years). The average probability of achieving 6.50% over 10 years based on these assumptions is 48.16%. Generally speaking, we prefer the probability of achieving the assumed rate of return to be around 50%, which is the case here.

As previously mentioned, an important fact to consider when deciding what weight to assign to shorter-term results or longer-term results is the amount of benefits for current members that are projected to be paid over the shorter term (for example, the next 10 years). Many mature retirement systems are expecting to pay out benefits over the next 10 years that represent a majority of or a very large percentage of current assets on a present value basis. Therefore, it is important to consider shorter-term expectations in addition to longer-term expectations in setting the economic assumptions, especially the assumed rate of return.

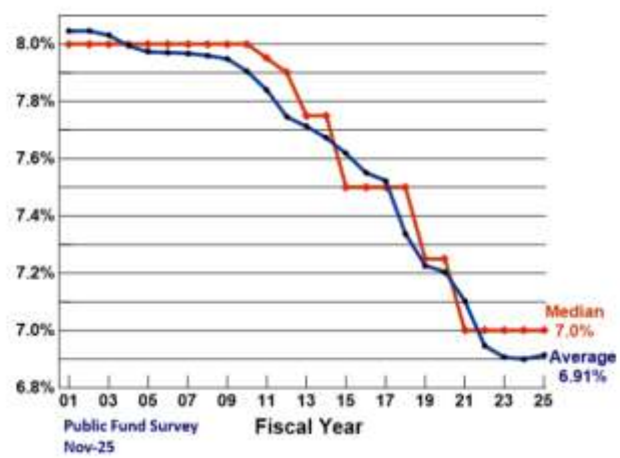
Although the investment return assumption for the MainePERS should be selected based on the MainePERS specific data, it is interesting to see what other plans use as the investment return assumptions — just to see if the MainePERS assumption is in the "ballpark". Following is survey information on the investment return assumptions used by public pension plans that is published by NASRA (National Association of State Retirement Administrators). The current investment return assumption of 6.50% is just below the median assumption of 6.50% (as of November 2025).

Considering all of these facts, we believe that the recommendation to continue the 6.50% investment return assumption is reasonable for preparation of the June 30, 2026 MainePERS funding actuarial valuations.

Review of Actuarial Assumptions and Methods



Source: NASRA Website



Source: NASRA Website

General Recommendation

As noted in the previous pages, we believe the economic assumptions are reasonable. We also believe is it appropriate to review the economic assumptions for continued applicability each valuation cycle. We recommend, in years coincident with a full experience study that the experience study report continue to contain a section on economic assumptions. With economic assumptions, in particular investment return, generally the single most impactful assumption in developing valuation results, an extended documentation is informative for readers. Additionally in years coincident with an experience study, inclusion in the full report also provides the reader with an understanding of the combined assumption set.

Review of Actuarial Assumptions and Methods

Demographic Assumptions

ASOP No. 27, Selection of Assumptions for Measuring Pension Obligations, applies to actuaries when they are selecting assumptions to measure obligations under any defined benefit pension plan that is not a Social Insurance program as described in Section 1.2, Scope, of ASOP No. 32, Social Insurance.

In accordance with ASOP No. 27, an actuary should identify the types of demographic assumptions to use for a specific measurement. In doing so, the actuary should determine the following:

(a) The purpose and nature of the measurement;
(b) The plan provisions or benefits and factors that will affect the timing and value of any potential benefit payments;
(c) The characteristics of the obligation to be measured (such as measurement period, pattern of plan payments over time, open or closed group, and volatility);
(d) The contingencies that give rise to benefits or result in loss of benefits;
(e) The significance of each assumption; and
(f) The characteristics of the covered group.

Not every contingency requires a separate assumption. For example, for a plan that is expected to provide benefits of equal value to employees who voluntarily terminate employment or become disabled, retire, or die, the actuary may use an assumption that reflects some or all of the above contingencies in combination rather than selecting a separate assumption for each.

We reviewed the demographic assumptions in the context of ASOP No. 27. It is our understanding the demographic assumptions analyzed here are based mainly on the MainePERS experience.

In general, we believe the assumptions developed in the Demographic Assumptions Study comply with applicable ASOPs. We generally use the following philosophy in the demographic assumption setting process: (1) do not overreact, (2) credibility, (3) anticipate trends and (4) simplify, if possible.

Our commentary on certain assumptions is included below.

Salary Increases

Generally, assumed rates of pay increase are constructed as the total of the following components:

- General Inflation and Increases due to productivity – currently 2.75% (economic assumption); and
- Merit, Promotion and Longevity – This portion of the salary increase assumption reflects components such as promotional increases as well as “step” increases and longevity pay. This portion of the assumption is not related to inflation. The assumption for this portion of the salary increase differs by plan.

Review of Actuarial Assumptions and Methods

In the context of a typical employer pay scale, pay levels are set for various employment grades, or "steps." In general, this pay scale is adjusted as follows:

- The inflation and economic productivity assumptions, collectively referred to as wage inflation, reflect the overall increases of the entire pay scale; and
- The Merit, Promotion and Longevity increase assumption reflects movement of members through the pay scale.

Cheiron comments on the salary experience exceeding expectations over the study period, with a portion being attributed to recent higher inflation levels. The experience study report displays the salary experience by plan and years of service, net of *expected inflation*. Actual salary experience may be quite sensitive to inflation. We find Cheiron's recommendation to increase the salary assumptions to be reasonable.

We believe the displays provided are helpful to compare the observed experience to the current and recommended assumption and include the following recommendations.

1) Perform the salary analysis net of *actual*, instead of expected, inflation during the study period. This may temper the amount of increase recommended, still moving toward an increased salary assumption, but tempering the impact of the recent inflationary environment.
2) Enhancing future experience study reports with a chart similar to the following. This allows the reader to gauge the exposure, number of records, comprising each data point in the current display, and may influence how much adjusting a specific increase rate will influence projected valuation results.

Service Index Beginning of Year	Number	Net of Wage 3.6% Inflation	
		Actual	Expected
5 & Under	48,078	5.96 %	3.70 %
6-10	25,221	1.60 %	1.56 %
11-15	18,520	0.84 %	1.09 %
16-20	19,415	0.53 %	0.81 %
21-25	16,737	0.51 %	0.64 %
26-30	7,312	0.55 %	0.48 %
31-35	3,139	0.29 %	0.34 %
36 & Over	1,398	(0.01)%	0.23 %
Total	139,820		

3) Review whether separate salary assumptions are warranted by gender and/or special vs. regular employment classification.

Mortality

The post-retirement mortality assumption is one of the most important demographic assumptions used in the actuarial valuation of a pension plan because it models how long benefit payments are expected to be paid to retirees. The longer retirees live, the larger MainePERS' liability, thus requiring more contributions to fund the MainePERS.

Pre-retirement mortality and disabled mortality have a less significant impact on the actuarial valuation.

Review of Actuarial Assumptions and Methods

Because of potential differences in expected mortality experience, it is common to use different mortality assumptions for disabled and non-disabled retirees. It is also common to use gender distinct assumptions and different assumptions for certain membership groups that are expected to have different mortality patterns, such as teachers.

The mortality assumptions used in the actuarial valuations of the MainePERS plans are based on standard mortality tables published by the Society of Actuaries, adjusted using various techniques to provide a better fit to the expected mortality for the retirees covered by the benefit plan and to reflect expected future mortality improvements.

For the post-retirement, healthy retiree mortality, we found the proposed tables (Pub-2016 benefit weighted tables specific to employee group) and the scaling factors to be reasonable.

For post-disabled retirement mortality, the experience study recommends use of a scaled version of the Pub-2016 Non-Public Safety Disabled Annuitant Mortality tables. Due to the questionable credibility of the disability mortality experience, we believe this is a reasonable selection.

For pre-retirement mortality, due to the limited credibility and unreliability of pre-retirement death experience, we find the recommendation to use the Pub-20106 tables for Employees benefit weighted tables specific to employee group and the scaling factors to be a reasonable assumption.

Mortality Improvement

The retained actuary's suggested mortality improvement scale is the IRS Adjusted MP-2021 mortality improvement scale. This is a modified version of the most current and widely used scale available at the time. The modifications attempt to account for experience since COVID-19. In our opinion, this scale is reasonable under the Actuarial Standards of Practice.

Retirement

The retirement assumption is used to model the likelihood that a member retires from employment and immediately commences their MainePERS retirement benefit. Cheiron uses different retirement assumptions for each employee group, which are based primarily on age, with additional components based on tier and/or when retirement conditions are first met. Utilizing different retirement assumptions like this is common for performing actuarial valuations for large retirement systems.

The legislative retirement system has unique circumstances with active members subject to re-election and term limits. The active group is larger in size than the Judicial plan, which has a separate table II-R13 of retirement experience. As such, we recommend future experience studies include a table II-R14 illustrating legislative experience. Additionally the experience study denotes "…only applies this assumption in years following a biennial term (with 0% rates in the other years)…" We recommend reviewing this disclosure, compared to the valuation modeling, and the valuation report appendix disclosure to ensure consistency between application of rates to the related disclosures.

Additionally, within the PLD valuation, the retained actuary is using an approximation (2.25% reduction for each year a member is younger than full retirement age) to reflect actuarial equivalence for members hired prior to July 1, 2014. This assumption has been in place since at least the June 30, 2015 valuations. We recommend the PLD early retirement reduction approximation be confirmed in light of mortality and interest rate assumption changes.

We believe the recommended retirement assumptions are reasonable and consistent with the benefit provisions.

Termination

Not all active members of the MainePERS are expected to continue employment with a participating employer of the MainePERS during their entire career and make it to retirement. The purpose of the termination assumption is to model the likelihood that an active member will cease to work for the employer prior to achieving retirement eligibility. Employee turnover behavior can be influenced by many factors, including external effects such as the economy. Therefore, it is important for the actuary to consider these factors when determining how much credibility to assign the experience when adjusting the current assumption to better model expected future experience.

Cheiron uses termination rate assumptions based on years of service and employee type. We note that for two consecutive experience periods the actual number of terminations has generally been lower than expectations. This supports the adjustments to rates recommended. This is an interesting occurrence as the MainePERS experience differs from that seen with other plans recently and also differs from the experience during the “Great Resignation.” We believe the recommended termination assumptions are reasonable. We recommend a review for consistency of Legislative application years, even or odd, between the experience study and the valuation report.

Disability Retirement

The disability incidence assumption models the number of members who will become disabled each year. Disabilities can occur due to service related or non-service related incidences. The assumptions used in the valuation vary by age, and employee type. We believe the proposed disability assumption adjustments are reasonable, including the continuation of no disability for the Judicial and Legislative plans. We do note that page 41 references State “Regular” Employees in the discussion and we believe it should reference “Special” employees.

Family Composition Assumption

This assumption is used in modeling benefits to beneficiaries of an active death. Generally, death benefits are a relatively small component of the actuarial cost. A brief review of these assumptions revealed that they are reasonable and consistent with the assumptions used by similar plans that we have worked with.

Review of Actuarial Assumptions and Methods

Actuarial Methods

Actuarial Cost Method

The funding method is Entry Age Normal Cost (EANC), which is acceptable under the Actuarial Standards of Practice, specifically ASOP No. 4, Measuring Pension Obligations and Determining Pension Plan Costs or Contributions. The EANC method is the most commonly used funding method for public sector defined benefit systems and is preferable due to its level percent of pay characteristics (especially when contributions are funded on a percent of pay basis). We believe this approach is reasonable.

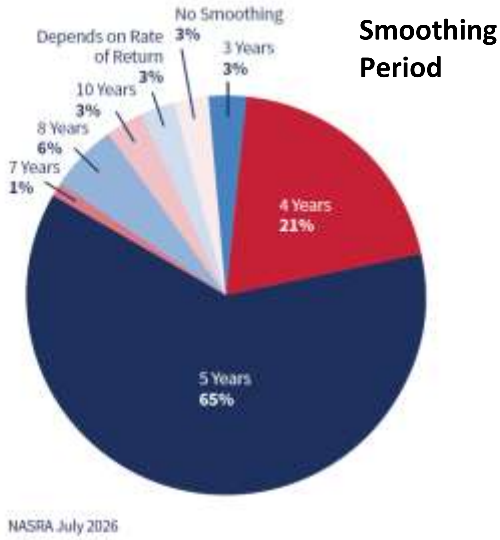
Asset Valuation Method

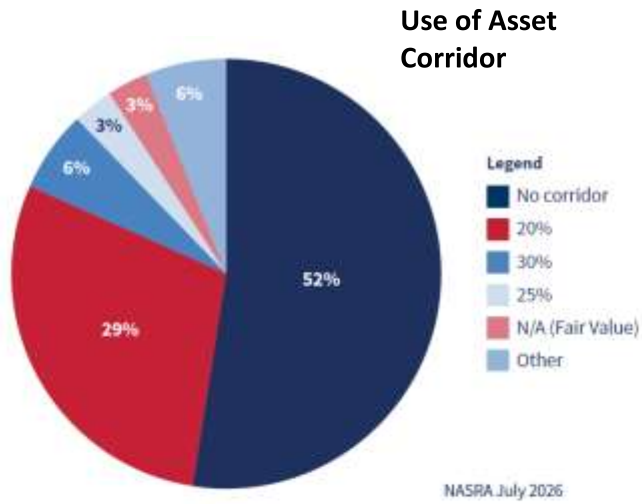
We reviewed the asset valuation method in the context of ASOP No. 44, Selection and Use of Asset Valuation Methods for Pension Valuations. Use of an asset smoothing method is a common practice within public retirement systems. The goal of asset smoothing is to help manage the impact of short-term market volatility, ultimately on the actuarially determined contribution requirement, which can assist in the budget setting process while also reasonably tracking the movement of plan assets. A common goal of the budget process is to have contributions remain relatively level from one year to the next.

The asset smoothing method recognizes the difference between the actual and assumed investment return on the market value of assets evenly over a 3-year "open" period (rolling/re-established period each year), without a corridor. A corridor will limit the amount that the smoothed asset value is allowed to diverge from the market value.

With an open amortization of any unrecognized investment experience the smoothed asset value will never exactly equal the market value of assets. Without a corridor an extended period of positive or negative investment returns may lead to divergence of the smoothed asset value from the market value. The ASOP allows for the actuary to use their judgement that the asset values fall within a reasonable range around the market value and that the actuarial value converges to the market value at a reasonable rate. Additionally, we would expect that should the above example occur, that the parameters of asset valuation method would be re-evaluated.

There are many considerations when selecting an asset smoothing method, a full-study could be completed on this alone. Recently the National Association of State Retirement Administrators (NASRA) issued an issue brief titled "Overview of Public Pension Asset Valuation Methods." We have included several charts below to illustrate some of the methods in place. We note 3% of surveyed plan utilize a 3-year asset smoothing. In examination of the detail at the end of the issue brief, this includes four plans – two of which are MainePERS plans.





In our opinion, the current asset valuation method is acceptable under the Actuarial Standards of Practice. We recommend that consideration be given to:

- Changing the “open” recognition to a “closed” fixed period recognition, which will recognize the difference in investment experience over a set-period of time, and
- Addition of an asset corridor.

Additionally, we note that the Asset Valuation Method was not discussed in the draft experience study report. We recommend future experience studies include a discussion of the asset smoothing method. Even if there is no recommended change to the method, a rationale can be provided for retaining the current method.

Amortization Method

The valuations use layered level percent of pay amortization, length of which varies by plan, to financing unfunded accrued liabilities.

- In the State and Teacher and PLD plans – a 20-year, closed period is used to recognize each new sliver of unfunded accrued liability,
- In the Judicial and Legislative plans – a 10-year, open period is used to recognize each new sliver of unfunded accrued liability.

At present the State and Teacher and the PLD plans have an unfunded accrued liability to finance, but are approaching 100% funded. 100% funded is the situation where smoothed valuation assets equal the actuarial accrued liability. The Judicial and Legislative plans presently have assets in excess of the actuarial accrued liability. The method in place for the State and Teacher and PLD plans, will systematically pay down the unfunded liabilities. For the Judicial and Legislative plans, use of a rolling period will help to extend the overfunding, as less of an amortization credit will be recognized in the contribution development each year.

As plans approach "surplus," assets at least equal to actuarial accrued liability, it is important to develop a surplus strategy. The goal in developing a surplus strategy is to strengthen the plan. Such a strategy may include the following areas.

- Review of Assumptions
    - Reduction of investment portfolio risk
    - Including a margin for adverse deviation
    - Review of amortization lengths, i.e. accelerating recognition of emerging unfunded liabilities
- Contribution Adjustments - Building a cushion for potential future unfavorable experience
    - Always contributing normal cost, or contributing normal cost up to a certain threshold
    - Resetting layered schedule
    - Recognizing an amortization credit above a threshold
    - Rolling Amortization for surplus, generally over a longer period
- Benefit Enhancement Approach
    - Benefit enhancements are generally administered, but not established, by the plan. As plans approach surplus, it is important to have a solid funding approach in place, before a request to price an enhancement arrives.

Similar to the Asset Valuation Method, we note that the Amortization Method was not discussed in the draft experience study report. While review of the Amortization Method may not always be a part of an experience study, it is important to review the method periodically. An experience study is an opportunity to recommend tweaks and revisions to the policy. A review of the amortization method becomes more important when plans are approaching surplus. We recommend a review or establishing a surplus funding strategy.

Other Recommendations

Incidence of In-Service (Duty) or Not In-Service (Non-Duty) Death – Incidence of active-duty death is low, however the valuations assume a portion of active deaths are duty or non-duty related. We recommend documenting the rationale for this assumption in a future experience study.

Gain/Loss Monitoring by Source – We do also note that the experience study shows net liability losses in the two most recent five-year and ten-year periods, 2016-2025, and 2021-2025. During 2021-2025 liability losses were experienced in each year. We recommend monitoring and displaying this information by source to assist in setting future assumptions. For instance, if the COLAs and/or salary increases continue to be a primary source of liability losses, an additional level of conservatism could be considered in assumption setting.

Assumption Update Impact – We appreciate that Cheiron has included a summary of the updated assumptions in the executive summary. We recommend expanding this display further to provide a high-level measure of assumption update impact, change in liability, change in funded percent, and possibly a change in illustrative contribution rates. This is a common approach for illustrating to the reader the net impact of recommended changes.

Conclusion

The 2025 draft experience study report and the June 2026 Economic Assumption PowerPoint to represent a robust, standards-compliant update building effectively on 2020. Assumptions appear consistent with governing documents and experience. No material inconsistencies identified that would impair actuarial soundness or member protections.

SECTION E

REVIEW OF ACTUARIAL VALUATION REPORTS

Review of Actuarial Valuation Reports

The actuarial valuation report is the document that communicates the results and implications of the calculations that underly the valuation. Generally, the actuarial valuation report should be designed to plainly and effectively present the results of the valuation while containing the required disclosures of the Actuarial Standards of Practice, as well as those required by law. The reports should also contain sufficient information to allow another actuary to verify the results.

We reviewed each of the four June 30, 2025 Actuarial Valuation Reports for the retirement programs.

- State Employee and Teacher Retirement Program (State and Teacher)
- Consolidated Plan for Participating Local Districts (PLD)
- Judicial Retirement Program
- Legislative Retirement Program

Numerous Actuarial Standards of Practice (ASOPs) apply to the development and preparation of actuarial communications and valuation reports. We find the reports to be thorough, quality work products, that generally satisfy actuarial standards. Our recommendations include minor disclosure enhancements to fully comply with ASOP No. 23 and ASOP No. 56.

In addition, we provided findings on areas where we believe the presentation could be improved. These comments are judgment matters, and while we differ in opinion with the retained actuary on certain items, this does not detract from our overall opinion that the work is consistent with actuarial standards.

The scope of this audit does not include investigation of Governmental Accounting Standards Board (GASB) 67/68 accounting information; therefore we did not comment on the development and presentation of that information.

Finally, we provided a finding on upcoming requirements for Web Content Accessibility Guidelines (WCAG) – to ensure you are monitoring any deliverables that will be posted online for compliance with these requirements.

Findings by Report Section:

Retained Actuary's Section I: Board Summary

Table I-1 provides a useful overview of the primary categories of actuarial gains and losses during the fiscal year. We recommend including additional detail, possibly in the Risk Assessment and Disclosure Section, of the detail by source. A sample list of sources is as follows. Some of these sources may already be identified in Table I-1.

- Assumption Changes,
- Method Changes,
- Benefit Changes,
- Investment Return,
- Pay Increases,
- COLA,
- Mortality, and
- Decrement Experience
  - Retirement (Unreduced and Reduced)
  - Withdrawal (Vested and Not Vested)
  - Death-In-Service
  - Disability

Providing additional detail:

- Allows the reader a sense of whether experience from one risk area is being offset by experience in another risk area,
- Allows the reader to identify the portion that each source impacts the development of the Actuarial Determined Contribution, and
- Helps track trends, when considering assumption setting in future experience study cycles.

Select reports include baseline projections of contribution rates. We find projections to be useful for all plans, especially as more plans approach 100% funded and potential discussions/adjustments to funding policy may apply. We recommend adding a baseline projection to the Judicial and Legislative Reports.

Retained Actuary's Section II: Risk Assessment and Disclosure

These sections contain an abundance of information in the State and Teacher and PLD reports. The Judicial and Legislative Programs are smaller in size and the reports denote this as a reason for providing abbreviated Risk Assessment Sections. We recommend including a historical chart of asset leverage ratios and net cash flow rates in the Judicial and Legislative reports. In particular, because the assets are comingled for investment purposes and the Judicial and Legislative Programs have lower required contribution rates, tracking the net cash flows over time provides useful information, especially given the overfunding in these plans.

Retained Actuary's Section III: Assets

Because the total assets are commingled for investments purposes this section is very similar in each report, with notable and expected differences in the Cash Flow Projection tables. To help make the reports more streamlined, we recommend considering a separate appendix document for disclosure purposes. This will be discussed in more detail in the Appendices.

Retained Actuary's Section IV: Liabilities

In this section and elsewhere in the reports, disclosures include both Entry Age and Present Value of Accrued Benefit (PVAB) basis. We recommend removing the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 960 measures (PVAB, Unfunded PVAB, Accrued Benefit Funded Ratio) from the reports. Our rationale for this is included below. We note that this is the third actuarial audit to comment on the inclusion of the Present Values of Accrued Benefits. The retained actuary has decided to keep the disclosures. While we understand the argument to have a different view on the need for disclosure, we recommend the retained actuary provide additional description within the reports, as to the purpose of including the PVAB.

The inclusion of the PVAB, while interesting, simply adds another liability measure for consideration by the reader. This measure is presented later in accordance with FASB ASC 960 – a measure required for private sector pension plans, but not required for public sector pension plans. We do not think that the PVAB should be used as a measure of the funded status of the system, since PVAB has more relevance for a private plan, where level percent of payroll contributions is not an objective, and where mergers, spin-offs, and bankruptcies are a part of everyday life. In a public sector plan where level percent of payroll funding is a primary objective, and the plan sponsor can be presumed to survive into the indefinite future, drawing focus in any way to the PVAB can lead to underfunding the plan.

Retained Actuary's Section V: Contributions

We have no recommended considerations for this section.

Retained Actuary's Section VI: Financial Disclosure Information

This section is outside the scope of audit review.

Retained Actuary's Section Appendix A: Membership Information

The membership appendix contains much information which can be used to:

- Gain insight into the present population,
- Gauge changes from the previous measurement, and
- Identify helpful statistics for review of the experience study work.

We recommend enhancing the Distribution of Active Members to include a brief breakdown by Tier where applicable. For instance, in the Teacher Program there are three tiers with differing normal retirement conditions, with the first two tiers winding down. It would be helpful for the reader to understand how close to wind-down each Tier is.

We recommend a few enhancements to the Reconciliation charts.

- Addition of a total column, across all member types, and
- Additional footnotes explaining select movements. Several examples are included below. This list is not exhaustive.
    - In the Teacher Program, 677 records are indicated as rehires, with only 280 from terminated vested status. Are the remainder from terminated non-vested status, i.e. prior refunds?
    - In the Teacher Program, 8 records are indicated as movement between plans – but are not indicated as an addition in other plans. What category are these grouped with in another Plan. Continuing with the State and Teacher Program, there are 10 such State records indicated.
    - In the Teacher Program, there are 6 active deaths with a survivor or beneficiary indicated, and 29 new beneficiaries due to retirement. It is likely that the 29 is inclusive of the 6 active deaths with a survivor and also retiree and death in the same year. Additional description in a footnote would help the reader understand.

Retained Actuary's Section Appendix B, C, and D: Summary of Program Provisions, Actuarial Assumptions and Methods, and Glossary of GASB Terms

We recommend moving the bulk of these sections, but retaining the section regarding changes from the prior valuation year in the main report, and a portion of the Asset section, to a separate Appendix document. Doing so could have a number of benefits to the reader and the retained Actuary, including:

- A single source with combined information. This is especially helpful in areas where the assumption is the same across all Programs.
- Providing a single source that can be referenced separately online, and included as a single hyperlink reference in the valuation reports. This creates ease for the reader to access and streamlines the annual update of this information.
    - Some examples of how we have disclosed this information for other clients can be found in the links below.
        - https://www.mersofmich.com/Portals/0/Assets/Resources/AAV-Appendix/MERS-2025AnnualActuarialValuation-Appendix.pdf
        - https://employers.varetire.org/media/employers/pdf/financial-reporting/valuations/actuarial-assumption-appendix.pdf
- Shorten the length of the main valuation reports. Plan provisions, assumptions, and methods are often changed very minimally from one-year to the next and are often referenced primarily by an avid reader or another actuary. Additionally, the disclosure of PLD elections is useful information, but not necessary to understanding the primary PLD report. Having this available in a separate document would not detract from the primary reports.

Technical and Miscellaneous Assumptions:

Member Contribution Interest Rate: The disclosure included is satisfactory for ASOP requirements. The disclosure indicates that actual historical member and interest rates have been used from 1970 through the valuation date. We recommend documenting these historical rates in the MainePERS Data Processing Notebook.

COLA Timing: Since the previous audit, valuation reports have been enhanced to disclose the September 1 assumption. We recommend considering enhancing the description to disclose the delay and whether it aligns with "…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" disclosed in the benefit description section.

Data Adjustment Disclosures: Refer to the Data Review Section for additional details on the recommended disclosures. The general recommendation is to expand the Technical and Miscellaneous Assumptions disclosures to explicitly disclose data adjustments in order to fully comply with Actuarial Stand of Practice (ASOP) No. 23 – Data Quality. These adjustments are presently documented in the MainePERS Data Processing Notebook.

Disclosures of Models Used: The prior audit denoted the need for a model disclosure to satisfy ASOP No. 56 – Modeling. We note that the valuation reports have been updated to include a disclosure for the following models: the ProVal Model, the Mortality Improvement Model, and in select reports a P-Scan Model. We recommend the model disclosures be expanded to include the financial model used to develop contribution rates, in order to fully comply with ASOP 56.

We recommend separating the disclosures of the Actuarial Cost Method and Amortization Method. It is commonly considered that the three pillars of a funding policy include Actuarial Cost Method, Amortization Method, and Asset Method. The Asset method is disclosed separately in each report, but the Actuarial Cost Method and Amortization Method are disclosed in a combined fashion in each report. Separately disclosing will allow:

- Clarify the disclosure of the Actuarial Cost Method, as we anticipate consistent methodology is used to develop the Total Normal Cost by individual, which is not entirely clear in the report disclosure, and
- Disclosing the Amortization method separately will be helpful, as this differs by plan.

Other:

We recommend reviewing the reports to ensure they meet Web Content Accessibility Guidelines (WCAG) requirements in advance of federal compliance dates, during 2027. Note that state compliance dates may be more stringent than the federal compliance dates.

Via Electronic Mail

September 1, 2026

Board of Trustees
Maine Public Employees Retirement System
P.O. Box 349
Augusta, Maine 04332-0349

Re: Responses to the 2025 Actuarial Audit

Dear Members of the Board:

This letter provides our responses to Gabriel, Roeder, Smith & Company's (GRS) findings of their actuarial audit of the June 30, 2025 Actuarial Valuations of the Maine Public Employees Retirement System (MainePERS).

Our responses are summarized in the attached table.

If you have any questions, please feel free to contact us.

Sincerely,
Cheiron

Gene Kalwarski, FSA, EA	Bonnie Rightnour, FSA, EA	Gregory A. Reardon, FSA, EA
Principal Consulting Actuary	Principal Consulting Actuary	Principal Consulting Actuary

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

Attachment

GRS 2025 Audit Report Section	GRS Observation / Recommendation	Cheiron's Response
B. Review of Data – Member Statistics	The largest difference is with the number of inactive due refunds for the PLD group.	For the largest discrepancy of 220 members for the Consolidated PLD Plan – members that are categorized as "Inactives Due Refunds", we believe that GRS may have consolidated duplicate records for members that have multiple Plans under which they had contributions. For this exhibit in our valuation report, we did not consolidate the member records for this group.
B. Review of Data – Data Processing	The Data Processing Notebook is thorough in detailing the data process and potential complexities. There are some limited references about data questions asked of MainePERS regarding the occurrence of unexpected multiple records within the reported data. It is clear however, from the actuarial adjustments implemented, that a more robust review of data is occurring as part of the data process. We recommend expanding the documentation of this process, within the Data Processing Notebook, for internal staff reference and consistent review from year-to-year.	Actuarial adjustments change annually based on data review. We do not feel that it would be beneficial to document annual changes that are not systemic to the annual processing work.
B. Review of Data – ASOP 23	Section 4.1 of ASOP No. 23 relates to communication and disclosure requirements; section 4.1 (f) "in summary form, significant judgmental adjustments or assumptions that the actuary applied to the data or to the results, or are known by the actuary to have been applied to the data, to allow the actuary to perform the analysis, as discussed in section 3.4(c)". We recommend enhancing valuation report disclosures to include the main data adjustments that are being applied. These are presently disclosed in the Data Processing Notebook. Under 4.1(f) we recommend these disclosures be added to the assumptions and methods section of the individual valuation reports. Specific disclosures relate to: • Application of a minimum part-time accrual rate; • Various salary adjustments for annualization and accounting for part-time accruals; • Application of a Final Average Compensation Floor; • Spouse Date of Birth (Update to the +/- two year family composition assumption recommended in the experience study, if applicable to exiting retirees.)	Prior to the June 30, 2027 valuations, we will review the data adjustments that are part of the annual processing and consider inclusion of individual items deemed significant within the valuation reports. Alternatively, we may consider reference to the Data Processing Notebook versus specific inclusion in each report.

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
RESPONSE TO GRS 2025 ACTURIAL AUDIT

GRS 2025 Audit Report Section	GRS Observation / Recommendation	Cheiron's Response
B. Review of Data – "NoAge" Flag	We recommend a review of the "NoAge" Flag documentation for PLD participants. This flag is used to determine the disability benefit in case of a decrement of this type. All active PLD members are flagged with a "0" in processed data. A zero indicates the old disability provisions with a minimum of 66.67% of final average compensation benefit minimum.	We confirm GRS's finding that the NoAge flag was not set properly in the valuation. The impact on the Consolidated PLD Plan was an overstatement of the actuarial liability of 0.2% in 2025. This will be addressed in the June 30, 2026 valuation.
C. Review of Test Cases – 3 active test lives	Test case (350783), Test case (12011510), and Test case (484393) – These test cases have a GRS replicated PVFB higher than the retained actuary. The difference for each record is primarily related to the termination decrement, with GRS replication results much higher than the retained actuary in each instance. Given how closely GRS replicated the termination decrement results for the other sample lives, we recommend a review of the termination decrement modeling for these three test cases. Alternatively, additional test case detail related to the termination decrement will allow us to further investigate differences between GRS and retained actuary's modeling.	For test case 350783, we agree with GRS that the liability associated with the termination decrement needs to be updated. This update will impact the liability associated with some active members in the 1998 Special Plan. We do not expect the change to have a material impact on the System and want to ensure that the update is thoroughly reviewed before including in reported valuation results. As such, due to the timing of this and the fact that the June 30, 2026 valuation is informational only, we will ensure that this change is reflected no later than the June 30, 2027 valuation. For test case 1211510, we agree with GRS that the liability associated with the termination decrement needs to be updated. This update will impact the liability associated with some active members in PLD Plan BC. We do not expect the change to have a material impact on the System. Because the current year's Consolidated PLD Plan results affect ratesetting, we will ensure that this is incorporated into the June 30, 2026 valuation. For test case 484393, we have determined a methodology difference that would result in the difference in termination liability described by GRS. This difference results when comparing the value of a vested deferred benefit to the optional refund of employee contributions. We will review the description of this comparison in our actuarial valuation reports and add clarifying language to identify the methodology used by Cheiron that should resolve this difference.

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
RESPONSE TO GRS 2025 ACTURIAL AUDIT

GRS 2025 Audit Report Section	GRS Observation / Recommendation	Cheiron's Response
C. Review of Test Cases – Legislative	Test case (318751) and Test case (395568) – These test cases are in the legislative plans where special assumptions with retirement and termination decrements occurring every other year. We prepared an alternate with, retirement rates were applied in even years and set to 0 in odd years. The result is a much closer alignment of PVFS and also PVFB. We recommend review of modeling to confirm the application of the retirement decrements. *(also mentioned in assumption sections)*	Our valuation report indicates that we have no decrements in "fiscal years ending even". This is the same as 0 in "odd" valuation years. We feel that our documentation is accurate.
C. Review of Test Cases – Selection	Test case selection – A level II audit is not a full replication, rather a test of a sampling of records. As discussed, the sample lives provided spanned multiple differing plans, tiers, genders, and optional form elections. This provided a broad cross section for testing. We recommend the next scheduled audit include sample lives with the following characteristics in order to test some of the additional complexities of the plan. • Have multiple raw records that need to be collapsed for modeling purposes; • Have service accrual that differs from 1.0; and • A PLD active member with accruals across multiple classes.	While we agree with GRS that these test case scenarios could be helpful, selection of test cases is the responsibility of the actuarial firm auditing the plans.
D. Review of Actuarial Assumptions and Methods – wage inflation	Taking all of this information into consideration, we believe a 2.75% wage inflation assumption, comprised of a 2.25% to 2.50% price inflation and 0.25% to 0.50% assumption for future productivity growth is a reasonable expectation of future wage inflation. We recommend that the retained actuary update the disclosure of inflation assumptions to explicitly differentiate the price inflation component from total wage assumption	While we agree with GRS that wage inflation typically outpaces price inflation – we do not feel that national averages of price inflation and wage inflation are representative for all regions of the country. For MainePERS, another factor we consider when reviewing the payroll growth assumption is the State's budget projections of future payroll. Finally, through discussions with the Board, we review this assumption annually alongside the price inflation assumption (used for COLA) and develop recommendations that produce less downside risk to the System as a whole.
D. Review of Actuarial Assumptions and Methods – economic assumptions	We recommend, in years coincident with a full experience study that the experience study report continue to contain a section on economic assumptions. With economic assumptions, in particular investment return, generally the single most impactful assumption in developing valuation results, an extended documentation is informative for readers. Additionally in years coincident with an experience study, inclusion in the full report also provides the reader with an understanding of the combined assumption set.	Defer to Staff/Board – in our opinion sufficient documentation exists in annual meeting presentations.

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
RESPONSE TO GRS 2025 ACTURIAL AUDIT

<table>
<tr><th>GRS 2025 Audit Report Section</th><th>GRS Observation / Recommendation</th><th>Cheiron's Response</th></tr>
<tr><td>D. Review of Actuarial Assumptions and Methods – pay increase review in experience study</td><td>Perform the salary analysis net of actual, instead of expected, inflation during the study period. This may temper the amount of increase recommended, still moving toward an increased salary assumption, but tempering the impact of the recent inflationary environment.</td><td>In our 2025 demographic experience study, we performed the analysis net of actual inflation as GRS suggests. In the 2030 study, we will ensure that the documentation of this is clearer to avoid future confusion.</td></tr>
<tr><td>D. Review of Actuarial Assumptions and Methods – pay increase review in experience study</td><td>Enhancing future experience study reports with a chart similar to the following. This allows the reader to gauge the exposure, number of records, comprising each data point in the current display, and may influence how much adjusting a specific increase rate will influence projected valuation results.
<table>
<tr><th>Service Index Beginning of Year</th><th>Number</th><th colspan="2">Net of Wage 3.6% Inflation</th></tr>
<tr><th></th><th></th><th>Actual</th><th>Expected</th></tr>
<tr><td>5 & Under</td><td>48,078</td><td>5.96 %</td><td>3.70 %</td></tr>
<tr><td>6-10</td><td>25,221</td><td>1.60 %</td><td>1.56 %</td></tr>
<tr><td>11-15</td><td>18,520</td><td>0.84 %</td><td>1.09 %</td></tr>
<tr><td>16-20</td><td>19,415</td><td>0.53 %</td><td>0.81 %</td></tr>
<tr><td>21-25</td><td>16,737</td><td>0.51 %</td><td>0.64 %</td></tr>
<tr><td>26-30</td><td>7,312</td><td>0.55 %</td><td>0.48 %</td></tr>
<tr><td>31-35</td><td>3,139</td><td>0.29 %</td><td>0.34 %</td></tr>
<tr><td>36 & Over</td><td>1,398</td><td>(0.01)%</td><td>0.23 %</td></tr>
<tr><td>Total</td><td>139,820</td><td></td><td></td></tr>
</table></td><td>Will consider for next study (2030).</td></tr>
<tr><td>D. Review of Actuarial Assumptions and Methods – pay increase review in experience study</td><td>Review whether separate salary assumptions are warranted by gender and/or special vs. regular employment classification.</td><td>Will consider for next study (2030).</td></tr>
<tr><td>D. Review of Actuarial Assumptions and Methods – Legislative retirement rate experience</td><td>The legislative retirement system has unique circumstances with active members subject to re-election and term limits. The active group is larger in size than the Judicial plan, which has a separate table II-R13 of retirement experience. As such, we recommend future experience studies include a table II-R14 illustrating legislative experience.</td><td>Will consider for next study (2030) – did not include in 2025 because of complication of even/odd year application. Consideration will also be given to including a longer time period for purposes of this review due to the period only including 2-3 actual experience years.</td></tr>
<tr><td>D. Review of Actuarial Assumptions and Methods – PLD early retirement reduction</td><td>Additionally, within the PLD valuation, the retained actuary is using an approximation (2.25% reduction for each year a member is younger than full retirement age) to reflect actuarial equivalence for members hired prior to July 1, 2014. This assumption has been in place since at least the June 30, 2015 valuations. We recommend the PLD early retirement reduction approximation be confirmed in light of mortality and interest rate assumption changes.</td><td>The 2.25% early retirement factor approximation continues to be representative of the actual reductions used in plan administration. If/when the Board adopts a new actuarial equivalence basis to be used for these reductions, we will reflect the new basis in the valuation.</td></tr>
<tr><td>D. Review of Actuarial Assumptions and Methods – Disability rates</td><td>We do note that page 41 references State "Regular" Employees in the discussion and we believe it should reference "Special" employees.</td><td>Agree with typo – will make a note to ensure this is fixed for the 2030 study.</td></tr>
</table>

GRS 2025 Audit Report Section	GRS Observation / Recommendation	Cheiron's Response
D. Review of Actuarial Assumptions and Methods – AVA method	In our opinion, the current asset valuation method is acceptable under the Actuarial Standards of Practice. We recommend that consideration be given to: • Changing the "open" recognition to a "closed" fixed period recognition, which will recognize the difference in investment experience over a set-period of time, and • Addition of an asset corridor.	We have reviewed this method extensively with Staff/Board and are currently comfortable that this method achieves the goals/objectives for the System. Review of corridor has been discussed as recently as June 2026 and determined fine as is.
D. Review of Actuarial Assumptions and Methods – AVA method documentation	Additionally, we note that the Asset Valuation Method was not discussed in the draft experience study report. We recommend future experience studies include a discussion of the asset smoothing method. Even if there is no recommended change to the method, a rationale can be provided for retaining the current method.	Defer to Staff/Board – in our opinion sufficient documentation exists in meeting presentations when discussed.
D. Review of Actuarial Assumptions and Methods – Amortization method	Similar to the Asset Valuation Method, we note that the Amortization Method was not discussed in the draft experience study report. While review of the Amortization Method may not always be a part of an experience study, it is important to review the method periodically. An experience study is an opportunity to recommend tweaks and revisions to the policy.	In 2025/2026 – there were extensive discussions of funding policy amortization changes. We do not believe that it was prudent to consider documentation in the demographic experience study report in 2026. Will discuss with Staff/Board prior to 2030 study.
D. Review of Actuarial Assumptions and Methods – Amortization method – Surplus	A review of the amortization method becomes more important when plans are approaching surplus. We recommend a review or establishing a surplus funding strategy.	This is planned for discussion with Staff/Board during the current fiscal year.
D. Review of Actuarial Assumptions and Methods – Active Death Category	Incidence of In-Service (Duty) or Not In-Service (Non-Duty) Death – Incidence of active-duty death is low, however the valuations assume a portion of active deaths are duty or non-duty related. We recommend documenting the rationale for this assumption in a future experience study.	Will review in the next study (2030) and consider for inclusion in the experience study report.
D. Review of Actuarial Assumptions and Methods – Gain/Loss by Source	Gain/Loss Monitoring by Source – We do also note that the experience study shows net liability losses in the two most recent five-year and ten-year periods, 2016-2025, and 2021-2025. During 2021-2025 liability losses were experienced in each year. We recommend monitoring and displaying this information by source to assist in setting future assumptions. For instance, if the COLAs and/or salary increases continue to be a primary source of liability losses, an additional level of conservatism could be considered in assumption setting.	The executive summary of the valuation reports includes commentary related to the prominent sources of gains/losses.

GRS 2025 Audit Report Section	GRS Observation / Recommendation	Cheiron's Response
D. Review of Actuarial Assumptions and Methods – Impact of Assumption Changes	Assumption Update Impact – We appreciate that Cheiron has included a summary of the updated assumptions in the executive summary. We recommend expanding this display further to provide a high-level measure of assumption update impact, change in liability, change in funded percent, and possibly a change in illustrative contribution rates. This is a common approach for illustrating to the reader the net impact of recommended changes.	This information was provided to the Board in meeting materials during discussion of recommended assumptions. We will discuss with MainePERS staff to determine if this will be included in future reports.
E. Review of Actuarial Valuation Reports – Board Summary	Table I-1 provides a useful overview of the primary categories of actuarial gains and losses during the fiscal year. We recommend including additional detail, possibly in the Risk Assessment and Disclosure Section, of the detail by source. A sample list of sources is as follows. Some of these sources may already be identified in Table I-1. *(see GRS report for full list)*	We do not believe that this level of detail belongs in a Board Summary. Liability risk is discussed in the Risk Assessment and Disclosure Section of our reports and as noted, individual assumption deviations tend to emerge slowly over time and are often offsetting, resulting in this not being a significant risk on an annual basis. Lastly, the annual experience of each individual assumption can also be offsetting for the various separate groups covered by the Plans.
E. Review of Actuarial Valuation Reports – Board Summary	We recommend adding a baseline projection to the Judicial and Legislative Reports.	We see limited value in this for these plans. Defer to Staff/Board for consideration for the June 30, 2027 valuation reports.
E. Review of Actuarial Valuation Reports – Risk Assessment and Disclosure	We recommend including a historical chart of asset leverage ratios and net cash flow rates in the Judicial and Legislative reports. In particular, because the assets are comingled for investment purposes and the Judicial and Legislative Programs have lower required contribution rates, tracking the net cash flows over time provides useful information, especially given the overfunding in these plans.	Defer to Staff/Board for consideration for the June 30, 2027 valuation reports.
E. Review of Actuarial Valuation Reports – Assets	We recommend considering a separate appendix document for disclosure purposes.	Please see our response in Section E. Review of Actuarial Valuation Reports – Appendices B, C, D, Glossary.

GRS 2025 Audit Report Section	GRS Observation / Recommendation	Cheiron's Response
E. Review of Actuarial Valuation Reports – Liabilities	We recommend removing the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 960 measures (PVAB, Unfunded PVAB, Accrued Benefit Funded Ratio) from the reports. Our rationale for this is included below. We note that this is the third actuarial audit to comment on the inclusion of the Present Values of Accrued Benefits. The retained actuary has decided to keep the disclosures. While we understand the argument to have a different view on the need for disclosure, we recommend the retained actuary provide additional description within the reports, as to the purpose of including the PVAB. The inclusion of the PVAB, while interesting, simply adds another liability measure for consideration by the reader. This measure is presented later in accordance with FASB ASC 960 – a measure required for private sector pension plans, but not required for public sector pension plans. We do not think that the PVAB should be used as a measure of the funded status of the system, since PVAB has more relevance for a private plan, where level percent of payroll contributions is not an objective, and where mergers, spinoffs, and bankruptcies are a part of everyday life. In a public sector plan where level percent of payroll funding is a primary objective, and the plan sponsor can be presumed to survive into the indefinite future, drawing focus in any way to the PVAB can lead to underfunding the plan.	We do not believe that anything related to this disclosure could or would lead to underfunding the plan. We will discuss with MainePERS staff to determine if this should be removed or if as an alternative, additional language should be added to describe the reasons for continuing to include in the reports.
E. Review of Actuarial Valuation Reports – Membership Information	We recommend enhancing the Distribution of Active Members to include a brief breakdown by Tier where applicable. For instance, in the Teacher Program there are three tiers with differing normal retirement conditions, with the first two tiers winding down. It would be helpful for the reader to understand how close to wind-down each Tier is.	We will add counts "by Tier" for the non-Special groups.
E. Review of Actuarial Valuation Reports – Membership Information	We recommend a few enhancements to the Reconciliation charts. 1. Addition of a total column, across all member types, and 2. Additional footnotes explaining select movements. Several examples are included below. This list is not exhaustive. *(examples not included here – see GRS report for details)*	1. We will add with footnote indicating reason for not matching (refunds) summary. 2. Not likely to add due to volume needed to explain all situations – but will review.

GRS 2025 Audit Report Section	GRS Observation / Recommendation	Cheiron's Response
E. Review of Actuarial Valuation Reports – Appendices B, C, D, Glossary	We recommend moving the bulk of these sections, but retaining the section regarding changes from the prior valuation year in the main report, and a portion of the Asset section, to a separate Appendix document. Doing so could have a number of benefits to the reader and the retained Actuary, including: *(full list not included here – see report for details)*	We believe that having all information applicable to the specific Program report provides the reader with the advantage of everything together versus having to open multiple documents and finding the applicable information. Could consider PLD information as a supplement – will discuss with MainePERS staff.
E. Review of Actuarial Valuation Reports – Technical and Miscellaneous Assumptions	Member Contribution Interest Rate: The disclosure included is satisfactory for ASOP requirements. The disclosure indicates that actual historical member and interest rates have been used from 1970 through the valuation date. We recommend documenting these historical rates in the MainePERS Data Processing Notebook.	We see no value in including this – the contribution balance provided by MainePERS considers all prior interest rates. The economic experience study in 2026 included history versus assumption.
E. Review of Actuarial Valuation Reports – Technical and Miscellaneous Assumptions	COLA Timing: Since the previous audit, valuation reports have been enhanced to disclose the September 1 assumption. We recommend considering enhancing the description to disclose the delay and whether it aligns with "…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" disclosed in the benefit description section.	The COLA timing is not an assumption and does not need to be included at all. It is a benefit provision which is described in sufficient detail in that section. Consider complete removal to eliminate the confusion that this is being handled as an assumption versus as a plan provision.
E. Review of Actuarial Valuation Reports – Technical and Miscellaneous Assumptions	Data Adjustment Disclosures: Refer to the Data Review Section for additional details on the recommended disclosures. The general recommendation is to expand the Technical and Miscellaneous Assumptions disclosures to explicitly disclose data adjustments in order to fully comply with Actuarial Stand of Practice (ASOP) No. 23 – Data Quality. These adjustments are presently documented in the MainePERS Data Processing Notebook.	Please see our previous response in section B. Review of Data – ASOP 23.
E. Review of Actuarial Valuation Reports – Technical and Miscellaneous Assumptions	Disclosures of Models Used: The prior audit denoted the need for a model disclosure to satisfy ASOP No. 56 – Modeling. We note that the valuation reports have been updated to include a disclosure for the following models: the ProVal Model, the Mortality Improvement Model, and in select reports a P-Scan Model. We recommend the model disclosures be expanded to include the financial model used to develop contribution rates, in order to fully comply with ASOP 56.	There is no "financial model" used to develop contribution rates. This is a calculation that is described and documented in the biennial ratesetting letter. No change needed.

GRS 2025 Audit Report Section	GRS Observation / Recommendation	Cheiron's Response
E. Review of Actuarial Valuation Reports – Technical and Miscellaneous Assumptions	We recommend separating the disclosures of the Actuarial Cost Method and Amortization Method. It is commonly considered that the three pillars of a funding policy include Actuarial Cost Method, Amortization Method, and Asset Method. The Asset method is disclosed separately in each report, but the Actuarial Cost Method and Amortization Method are disclosed in a combined fashion in each report. Separately disclosing will allow: • Clarify the disclosure of the Actuarial Cost Method, as we anticipate consistent methodology is used to develop the Total Normal Cost by individual, which is not entirely clear in the report disclosure, and • Disclosing the Amortization method separately will be helpful, as this differs by plan.	Agree with this recommendation and will make changes.
E. Review of Actuarial Valuation Reports – Other	We recommend reviewing the reports to ensure they meet Web Content Accessibility Guidelines (WCAG) requirements in advance of federal compliance dates, during 2027. Note that state compliance dates may be more stringent than the federal compliance dates.	We will be ensuring compliance on or before the federal compliance dates. We have also discussed with MainePERS potential advanced compliance goals that they are mandating and will ensure these are met. This will not impact the June 30, 2026 valuation reports but may impact meeting materials and other deliverables that will be provided to MainePERS in advance of the federal compliance deadline.