



Responsibility for contributions for teachers in the State/Teacher Plan – Employee, Employer, and State of Maine

Contribution Type	Non-Grant Funded Position		Grant Funded Position	
	Active Teacher	RRTW Teacher	Active Teacher	RRTW Teacher
Employee Contributions	Employee Paid	n/a	Employee Paid	n/a
Normal Cost Contributions	Employer Paid	n/a	Employer Paid	n/a
Unfunded Actuarial Liability Contributions	State Paid	State Paid	Employer Paid	Employer Paid
Administrative Cost	n/a	n/a	Employer Paid	Employer Paid

Employee Contributions: Employee Contributions are calculated as a percentage rate of payroll and for teacher members, are defined in Maine statute. The current employee contribution rate is 7.65%.

Normal Cost Contributions: Normal Cost Contributions are an employer paid contribution to the Plan. Normal Cost Contributions represent the amount of funding necessary when added to investment income to pay for the benefits earned in the current period.

Unfunded Actuarial Liability Contributions: Unfunded Actuarial Liability Contributions, or “UAL” contributions, are the contributions necessary to bring the Plan to full funding. The unfunded actuarial liability is the difference between the total current and future benefit obligations of the Plan, and the amount of money that has previously been set aside to pay those benefits. This difference can occur as the result of a number of things, including collecting contribution rates that are lower than required or when investment income is less than expected. In the State/Teacher Plan, the State of Maine generally makes the contributions toward the unfunded actuarial liability that exists in the Plan. The exception is for those positions that are funded with federal grants.

Administrative Cost: The administrative costs of the State/Teacher Plan includes salaries and benefits of MainePERS staff and other costs associated with administering the Plan. Administrative costs are generally offset by the investment earnings of each Plan administered by MainePERS. The exception is for those positions that are funded with federal grants.

Statutory References

- 5 M.R.S. § 17154 – Establishes who pays contributions associated with teacher members whose positions are funded with federal grants.
- 5 M.R.S. § 17253 – Establishes how employer contribution rate(s) are determined in the State/Teacher Plan.
- 5 M.R.S. § 17859 – Establishes rules around retiring and returning to work in the State/Teacher Plan, including required contributions from employers.