



MainePERS
PUBLIC EMPLOYEES RETIREMENT SYSTEM

PLD Advisory Committee

Meeting Packet

July 29, 2025

MainePERS PLD ADVISORY COMMITTEE

July 29, 2025 at 1:00 p.m.

139 Capitol Street, Augusta, and via Zoom

AGENDA

1:00 p.m.	CALL TO ORDER		Dr. Rebecca M. Wyke
1.	<u>MINUTES of June 10, 2025</u>	ACTION	Dr. Rebecca M. Wyke
2.	<u>LEGISLATIVE and RULEMAKING UPDATE</u>		Bill Brown Michael Colleran
3.	<u>CEO UPDATE</u> <ul style="list-style-type: none">• Member Satisfaction Survey		Dr. Rebecca M. Wyke
4.	<u>UPCOMING VALUATION/RATE SETTING</u>		Fiona Liston, Bonnie Rightnour, Greg Reardon, Cheiron Bill Brown
5.	<u>2025 COLA</u>		Bill Brown
6.	<u>RULEMAKING RECOMENDATIONS</u> <ul style="list-style-type: none">• Implementation of Legislation• Other Amendments to Rule Chapter 803	ACTION	Michael Colleran
7.	<u>ADMINISTRATIVE</u> <ul style="list-style-type: none">• Annual Open Enrollment Reminder• Current PLD Activity Report• PLD Activity Trend Report		Deanna Doyle
3:00 p.m.	<u>ADJOURNMENT</u>		Dr. Rebecca M. Wyke

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

Minutes

PLD Advisory Committee
Special Meeting
June 10, 2025

MainePERS
Zoom
1:00 p.m.

The PLD Advisory Committee met at 1:00 p.m. on Tuesday, June 10, 2025 at MainePERS. Dr. Rebecca M. Wyke, Chief Executive Officer, presided.

Members present: Steve Butterfield, Maine Service Employees Association; Rick Cailler, Professional Firefighters of Maine; John Bracciodieta, Maine Education Association; Deborah Roberts, Maine School Management Association; Dick Thompson, Governor's Designee; Eben Gilman, Maine Municipal Association; Brendan O'Connell, Maine Municipal Association; Ed Marzano, Teamsters Local 340; and, Dr. Rebecca M. Wyke, Chief Executive Officer. Members absent: John Nuttal, AFSCME Counsel 93; Chris Downing, Maine School Management Association; and Sophie Wilson, Town of Freeport. Joining the Committee were: Michael Colleran, Chief Operating Officer and General Counsel; Kathy Morin, Director of Actuarial & Legislative Affairs; Deanna Doyle, PLD Plan Administrator; Chip Gavin, Chief Services Officer; Bill Brown, Director of Actuarial & Legislative Affairs; Nanette Ardry, Associate General Counsel; Betsy Stivers, Assistant Attorney General; and, Dick Metivier, Trustee.

MINUTES

Ed Marzano made the motion, seconded by Brendan O'Connell to approve the minutes of April 29, 2025, as amended. Unanimously voted by seven members (Butterfield, Bracciodieta, Cailler, Gilman, Marzano, O'Connell, and Roberts).

SOCIAL SECURITY OFFSET TO DISABILITY BENEFITS

LD 1638

Dr. Wyke provided an update on the status of LD 1638. She shared the bill was approved as amended and will be brought before full Legislature for enactment. Michael Colleran reviewed the details of the bill with the Committee. Dr. Wyke and Michael answered questions from the Committee.

Cost to Eliminate Offset/Cost of Retroactive Benefit

Kathy Morin reviewed the costs associated with the elimination of the offset and the retroactive benefit. Kathy answered questions from the Committee.

Recommendation

Steve Butterfield made the motion, seconded by Ed Marzano that the PLD Advisory Committee make a recommendation to the Board of Trustees adopting the changes in LD 1638 as amended. Unanimously voted by seven members (Butterfield, Bracciodieta, Cailler, Gilman, Marzano, O'Connell, and Roberts).

ADJOURNMENT

The meeting adjourned at 1:30 p.m.

July 29, 2025
Date Approved

Dr. Rebecca M. Wyke, Chief Executive Officer

Date: July 22, 2025

To: PLD Advisory Committee Members

From: Michael J. Colleran, Chief Operating Officer and General Counsel
Bill Brown, Director, Actuarial and Legislative Affairs

Re: Legislative and Rulemaking Update

Legislative Update

The First Special Session of the 132nd Legislature adjourned on June 25, 2025. The Legislature considered several bills pertaining to the programs administered by MainePERS. This memo provides a summary of bills that could impact the Participating Local District Consolidated Plan as well as other bills of interest, including the status of each bill upon adjournment including, when appropriate, the effective date of the law.

ENACTED LAWS IMPACTING PLD PLAN

RESOLVES 2025, CH. 109 (LD 89) – CHAPTER 201 RULEMAKING

This resolve approves Rule Chapter 201 as adopted by the MainePERS Board of Trustees, which sets out requirements regarding employer reporting and payment of contributions and premiums. This resolve is effective September 24, 2025.

PL 2025, CH. 12 (LD 240) – PLD DEFERRED BENEFITS

This law permits a member who meets eligibility requirements to retire from the State/Teacher plan and who has service in the participating local district (PLD) plan with a different normal retirement age to elect to defer the receipt of the PLD benefits that would otherwise be subject to an early retirement reduction until reaching the normal retirement age for that portion of benefits. This law is effective as of June 20, 2025.

PL 2025, CH. 206 (LD 1025) – SERVICE CREDIT PURCHASE- FEDERAL SERVICE

This law allows members to purchase up to five years of service as a non-military federal employee at actuarial cost. This law is effective September 24, 2025.

PL 2025, CH. 221 (LD 1947) – SYSTEM BILL

This law makes changes to clarify, update and make minor improvements to the statutes governing the Maine Public Employees Retirement System.

Sections 1, 5, 18 and 35 of the law remove the requirement that refunds to terminated members cannot be made sooner than 22 days after the receipt of all information required to support the issuance of the refund.

Sections 2 and 9 establish a definition of “duly acknowledged”. The definition includes electronic identification if the Board adopts such a process through future rulemaking.

Sections 3 and 13 establish definitions for “survive” and “surviving” to clarify the beneficiary or beneficiaries to whom death benefits are made. The change aligns with treatment under the probate code of situations where a beneficiary becomes deceased soon after the member.

Sections 6, 26, 41 and 43 remove the requirement for five years of continuous service before a member can be eligible for disability retirement benefits without meeting preexisting condition requirements.

Sections 7, 27, 28, 42, 44 and 45 remove the requirement that disability retirement benefit recipients who earn more than permitted under law repay those overearnings in the next calendar year. The law instead requires that recoveries take place in accordance with Title 5, Section 17054, which says that “...recovery practices must be reasonable and consider the personal economic stability of the retiree in the establishment of the recovery schedule.”

Section 12 provides rulemaking flexibility in the methodology used to calculate benefits for part-time, seasonal, and temporary employees so that their less-than-full-time status does not negatively impact them relative to full-time employees.

Section 16 clarifies procedural requirements before initiating court action to recover overpaid benefits. It clarifies that the decision to initiate court action is not itself appealable.

Section 32, 33 and 34 permit the chief administrative officer of a participating local district to clarify ambiguities in actions taken by the governing body regarding plan participation.

Section 49 removes the requirement for a minimum percentage of members of a local district in order to participate in the group life insurance program.

Section 50 changes what constitutes a quorum for the Participating Local District Advisory Committee to six, including at least two labor and management members.

This law is effective September 24, 2025.

PL 2025, CH. 270 (LD 1638) – DISABILITY – SOCIAL SECURITY OFFSET

This law eliminates the offset of Maine Public Employees Retirement System disability retirement benefits by Social Security benefits for the same condition as of January 1, 2024. The law also provides for the retroactive payment of previously offset benefits plus cost-of-living-adjustments and interest at 6.5%. This law is effective September 24, 2025. Rulemaking to implement this law is ongoing.

PL 2025, CH. 334 (LD 176) – LOCAL DISTRICT FORMATION

This law allows the creation of emergency medical services districts similar to fire services districts. This law is effective September 24, 2025.

BILLS BEING CARRIED OVER TO SECOND SESSION

LD 462 – MILITARY SERVICE PURCHASES

This bill expands the periods of military service that eligible members may purchase at a subsidized rate.

LD 1383 – DIVESTMENT – HUMAN RIGHTS

This bill would prohibit the State from investing public funds, including any public funds managed by MainePERS, or entering into procurement contracts with companies, entities, persons or financial institutions involved with entities determined by international bodies to have committed certain violations of human rights.

PROPOSED BILLS THAT DID NOT PASS

LD 1218 – SERVICE CREDIT PORTABILITY - COUNTY COMMISSIONERS

This bill would have allowed members serving as county commissioners with past service as Legislators to transfer their PLD service as county commissioners to the Legislative Retirement Program. A public hearing was held on April 9. A work session has not yet been scheduled for this bill.

LD 1670 – DIVESTMENT – LOAN PROGRAM

This bill would have required that the Maine Public Employees Retirement System use a portion of trust assets to provide loans of up to \$25,000 at 2% to members for the purpose of home repair and energy efficiency. Assets to be used would be divested from fossil fuel holdings.

Rulemaking Update

As noted above, LD 89 amending Rule 201 regarding employer reporting has been enacted by the Legislature and signed by the Governor. The Board of Trustees will take up final adoption of this rule at the October Board meeting.

A replacement rule for Chapter 102 – Qualification as a Full-Time Student was approved by the full Board of Trustees at the July Board meeting. The replacement rule includes updated language and formatting and the removal of wording for consistency with existing statutory language.

The Board of Trustees held public hearings for proposed amendments of Chapter 513 – Disability Retirement Compensation Limitations and Benefit Offsets and Chapter 803 – Participating Local Districts Consolidated Retirement Plan on July 10, 2025. The Participating Local District Advisory Committee voted to recommend adoption of these proposed amendments as well as amendments to Chapter 510 – Lump-Sum Settlements of Benefits Payable Under the Workers Compensation or Similar Law or the United States Social Security Act at a special meeting June 10, 2025. Action on Chapter 510 was delayed due to a public notice oversight at the Office of the Secretary of State. The Board of Trustees will hold a public hearing on Chapter 510 at the August Board meeting.

MAINEPERS

PARTICIPATING LOCAL DISTRICT ADVISORY COMMITTEE MEMORANDUM

TO: PLD ADVISORY COMMITTEE MEMBERS
FROM: DR. REBECCA M. WYKE, CEO
SUBJECT: CEO UPDATE
DATE: JULY 22, 2025

Pension Administration System (PAS) and Employer Advisory Panel

The inception and planning phase of the project is now complete and the project governance and management plans have been set up. We have begun the process of setting up the infrastructure and environments, as well as begun conducting the business process reviews and requirements confirmation. The project continues to be on track.

Employer Advisory Panel - A working group has been established to engage with our employers as we develop the new PAS system. The Panel has more than 20 members representing both large and small employers, as well as a diverse group of school districts, municipalities, and other public employers throughout the state. We have also invited payroll providers used by our employers to join this group. Our goals in establishing this group are to engage employers early, build trust and transparency, standardize processes, and simplify the transition to the new PAS.

Preliminary to Final Benefits

Over the past several years the preliminary to final benefits process has been plagued by chronic backlogs. The roots of this backlog are complex and the solution lies in additional staffing, streamlined processes, and enhanced technology. The Board of Trustees approved additional staffing in the FY 2025 budget, and staff began implementing several process improvements last summer. I am pleased to inform the Committee that for the first time in six years we have closed more retirement workflows than we have opened for the year and have reduced the backlog by 20% from last July.

Additionally, staff have been conducting an internal business process review in anticipation of the new PAS system and are considering other process improvements that could further enhance services for both our members and our employers. I extend my appreciation to the staff for their continued efforts to eliminate the backlog.

Group Life Insurance Beneficiary Campaign

Our Survivor Services team has launched a campaign to encourage retirees with a group life insurance policy to ensure their beneficiaries are up to date. About 20,000 letters are being sent to retirees. To date, we've received more than 2,250 new beneficiary forms, as well as several death notifications in response to the campaign.

Social Security Offset to Disability Benefits

At a special meeting on June 10, 2025, the PLD Advisory Committee unanimously voted to recommend to the Board of Trustees adoption of the changes in Public Law 2025, c. 270 (L.D. 1638). At its July 10, 2025, meeting, the Board held a public hearing on amended Rule Chapters 803 and 513, which would implement the provisions of Public Law 2025, c. 270. A public hearing on Rule Chapter 510 related to lump sum settlements of benefits will be held on August 14, 2025. The Board is expected to formally adopt the amended rules at its August 14 and September 11, 2025 meetings, respectively. Public Law 2025, c. 270 would take effect September 24, 2025.

Stakeholder Concern

Part of my commitment to the PLD Advisory Committee is to bring forward stakeholder concerns. In June I received an email from a PLD retiree, who worked for 30 years in law enforcement and retired before the 2018 plan changes, which capped the COLA at a lower percentage than when he retired. I explained the plan changes were made to stabilize the plan, ensure it was available to support both active and retired members into the future, and to keep plan contributions affordable for both employers and active members. The retiree asked that I share with the Committee his concerns about the reduced COLA and its impact on members who retired under different plan provisions.

Member Satisfaction Survey Results

MainePERS conducted a member satisfaction survey April 2–17, 2024. A random selection of 5000 members from State Sponsored and Participating Local District Plans were identified to receive the survey. A copy of the active and retired member surveys are attached.

Active Member Survey

MainePERS has approximately 55,000 active members currently employed by a participating employer. In the spring of 2025, 2,500 active members were randomly selected to receive the survey. Those selected had a mailing and email address on file, received a pension contribution from their employer within the last 60 days, and had no disbursement of contributions. One hundred and seventy-one (171) active members responded to the survey, an 8% response rate of those delivered. The confidence level of the survey is 85%, with a margin of error of 5.3%. Of those responding, 61.18% rate their overall satisfaction with MainePERS as “satisfied” or “very satisfied”, 32.94% “neutral” or “no opinion”, and 5.88% “dissatisfied” or “very dissatisfied”. Nearly two-thirds (63.75%), stated they “agree” or “strongly agree” that MainePERS acts with integrity, 34.50% “neutral” or “no opinion”, and 1.75% “disagree” or “strongly disagree”. And, 51.17% “agree” or “strongly agree” that MainePERS staff are knowledgeable, 44.12% “neutral” or “no opinion”, and 4.71% “disagree or “strongly disagree”.

Responses to the survey questions suggest some desire for more frequent communication, information that is easier to understand, and more timely responses to questions raised. Responses also indicated an interest in pre-retirement informational meetings, retirement security planning seminars, and participation in defined contribution plans. More than half (56.47%) of the respondents indicated they have accessed the Member Portal.

Compared to the 2024 survey results for active members, there were slightly fewer respondents (171 v 187), but the response rate remained the same (8%).

Retired Member Survey

MainePERS has approximately 51,000 retired members. In the spring of 2025, 2,500 retired members were randomly selected to receive the survey. Those selected had a mailing and email address on file and were service or disability retirees who had received a benefit payment within the last 60 days. Six hundred and fifty-five (655) retired members responded to the survey, a 28% response rate of those delivered. The confidence level of the survey is 98%, with a margin of error of 3.9%. Of those responding, 92.64% rate their overall satisfaction with MainePERS as “satisfied” or “very satisfied”, 6.13% “neutral” or “no opinion”, and 1.23% “dissatisfied” or “very dissatisfied”. Over ninety percent (90.66%) stated they “agree” or “strongly agree” that MainePERS acts with integrity, 8.27% “neutral” or “no opinion”, and 1.08% “disagree” or “strongly disagree”. And, 78.34% “agree” or “strongly agree” that MainePERS staff are knowledgeable, 21.04% “neutral” or “no opinion”, and 0.61% “disagree” or “strongly disagree”.

Responses to the survey suggest retired members are generally satisfied with the frequency of communication, clarity of information, and timeliness of responses to questions raised. Responses also indicated an interest in cybersecurity awareness and preventing identify fraud.

In their comments, several retired members noted an error made in the monthly deduction for health insurance premiums, while others noted they were still on a preliminary benefit after six months. However, many retirees also expressed appreciation for the work of MainePERS and its staff. Notably, there were no concerns about the impact of the Social Security Windfall Elimination Provision or the Government Pension Offset following its repeal, which were the top concerns raised in the past three surveys. Over 40% of the respondents indicated they have accessed the member portal.

Compared to the 2024 survey results for retired members, there were more respondents (655 v 644), but the response rate remained the same (28%).



MainePERS
PUBLIC EMPLOYEES RETIREMENT SYSTEM

2025 Member Satisfaction Surveys

PLD Advisory Committee
July 29, 2025

Dr. Rebecca Wyke, CEO

Member Satisfaction Survey

March 31 - April 18, 2025

Actives

- ▶ Approx. 55,000
- ▶ Random selection of 2500 members
- ▶ 171 respondents
- ▶ 8% response rate
- ▶ 85% confidence level
- ▶ Margin of error 5.3%

Retirees

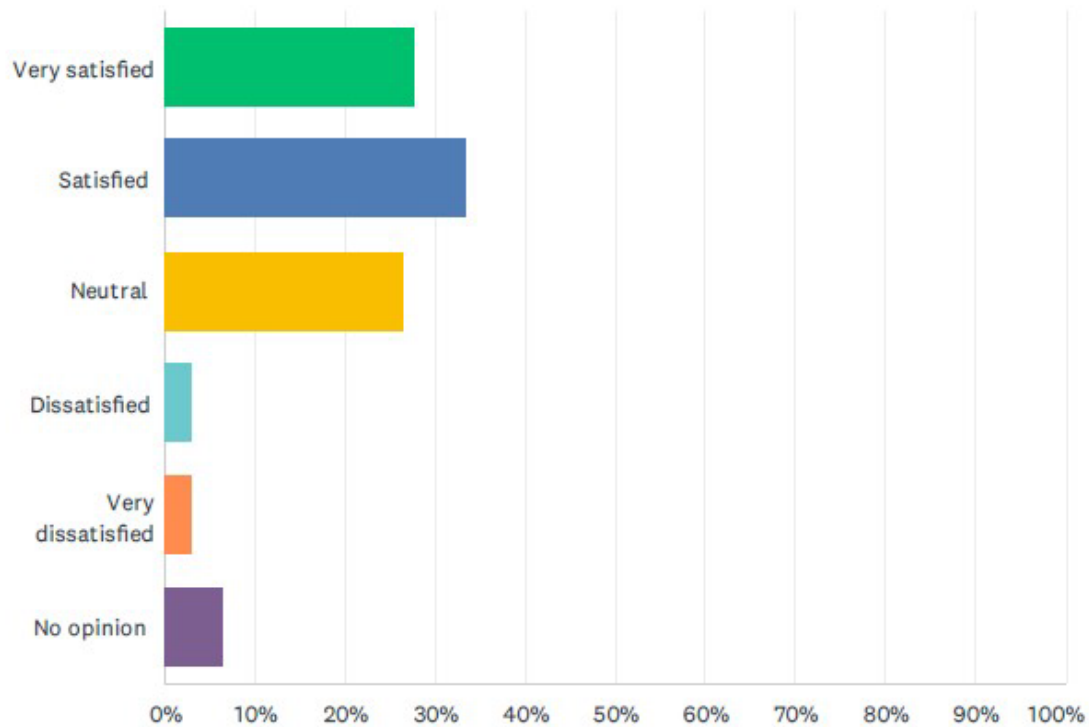
- ▶ Approx. 51,000
- ▶ Random selection of 2500 members
- ▶ 655 respondents
- ▶ 28% response rate
- ▶ 98% confidence level
- ▶ Margin of error 3.9%

Active Member Survey

Member Satisfaction Survey - April 2025 (Member)

Q1 Please rate your overall satisfaction with MainePERS

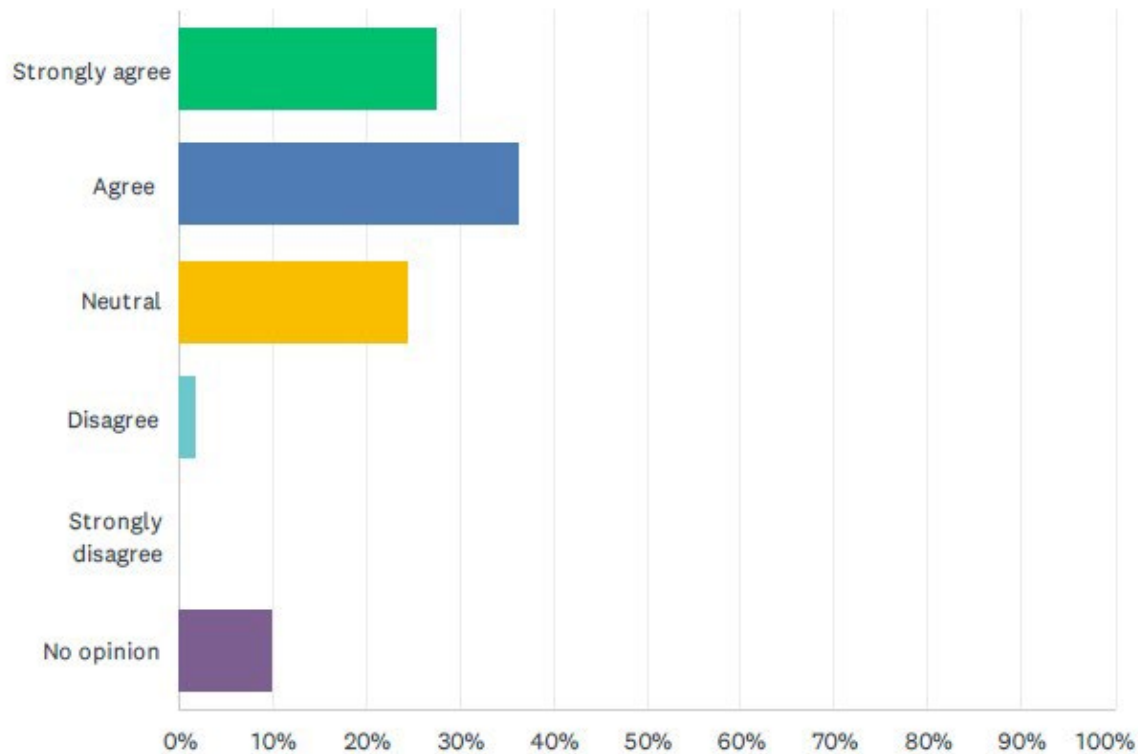
Answered: 170 Skipped: 1



Member Satisfaction Survey - April 2025 (Member)

Q4 MainePERS acts with integrity

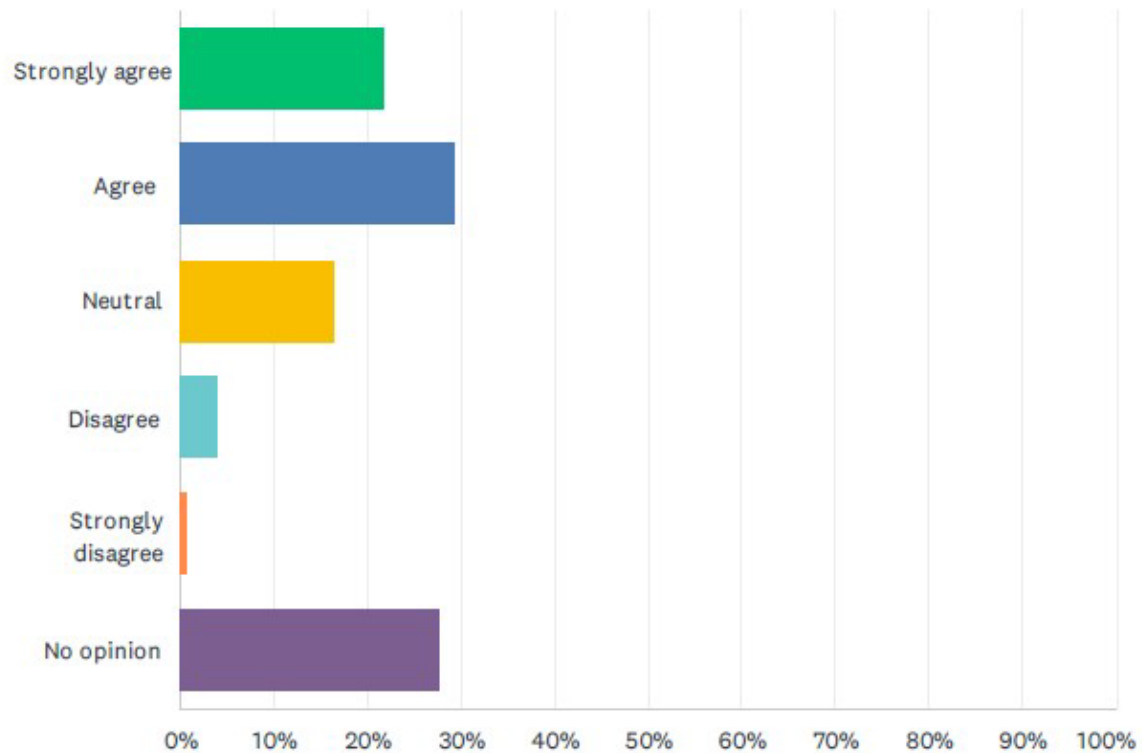
Answered: 171 Skipped: 0



Member Satisfaction Survey - April 2025 (Member)

Q8 MainePERS Staff are knowledgeable

Answered: 170 Skipped: 1



Active Member Survey

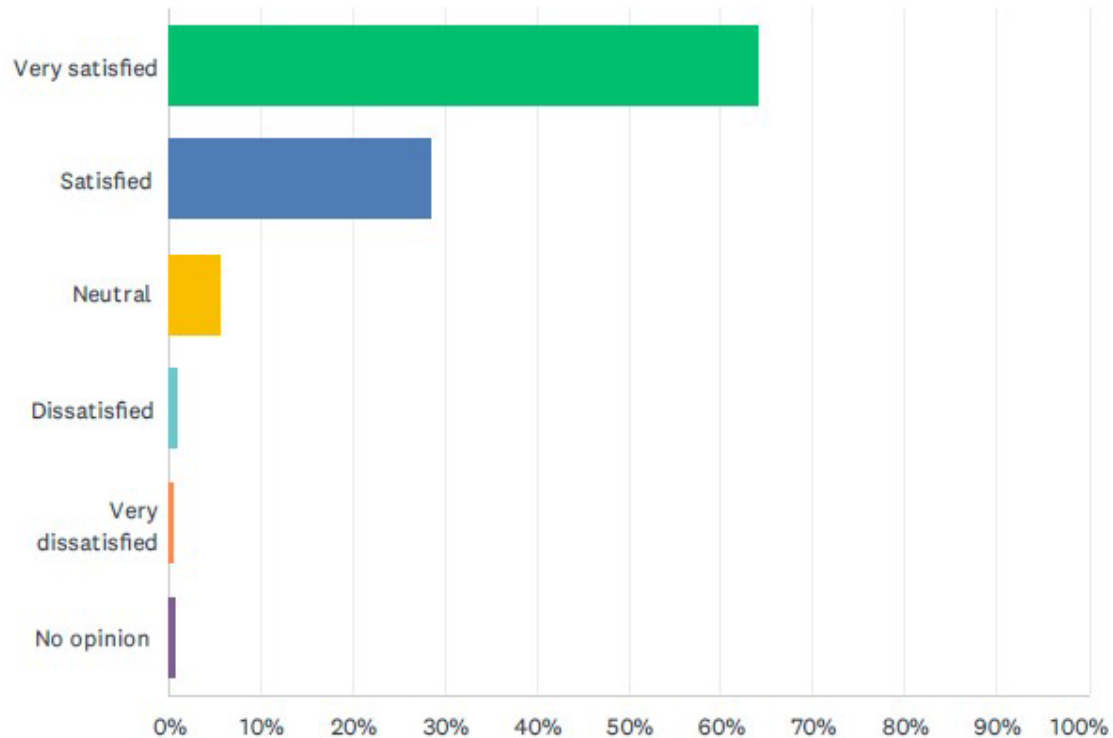
- ▶ More frequent communications
- ▶ Information that is easier to understand
- ▶ More timely responses to requests
- ▶ Interest in pre-retirement meetings
- ▶ Retirement security planning seminars
- ▶ Information on defined contribution plans
- ▶ More than half have accessed the Member Portal
- ▶ Compared to the 2024 Survey:
 - ▶ Slightly fewer respondents, 171 v 187
 - ▶ Same response rate, 8%

Retired Member Survey

Member Satisfaction Survey - April 2025 (Retiree)

Q1 Please rate your overall satisfaction with MainePERS

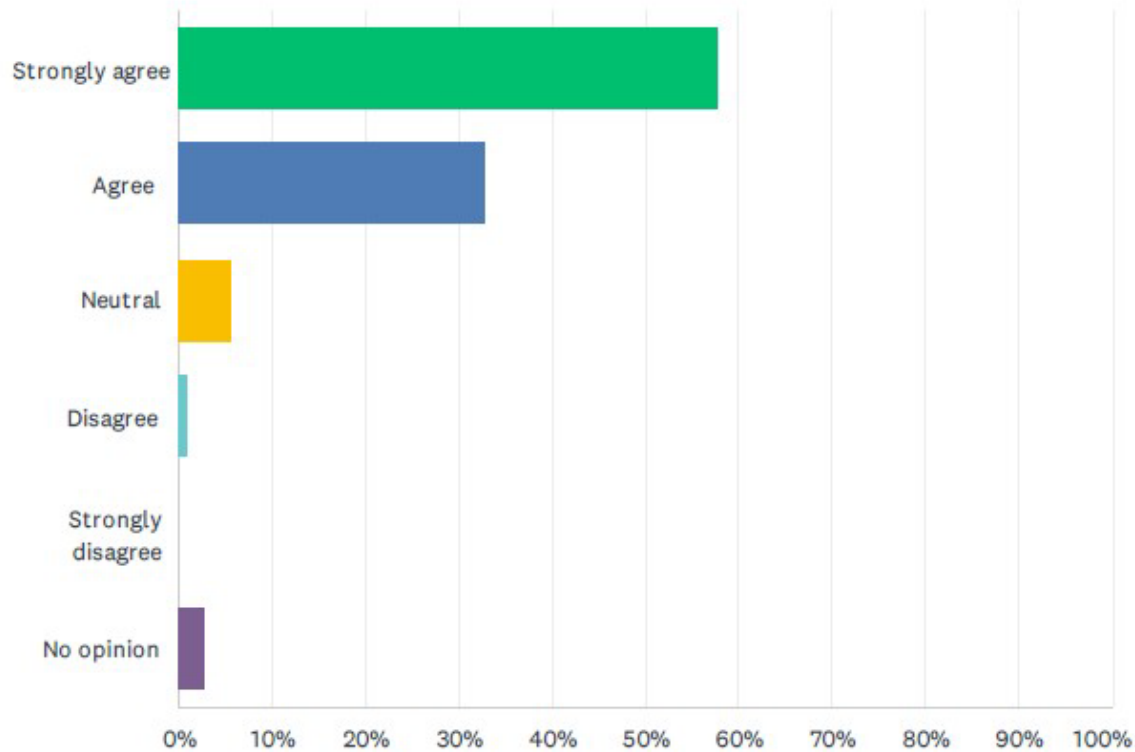
Answered: 652 Skipped: 3



Member Satisfaction Survey - April 2025 (Retiree)

Q4 MainePERS acts with integrity

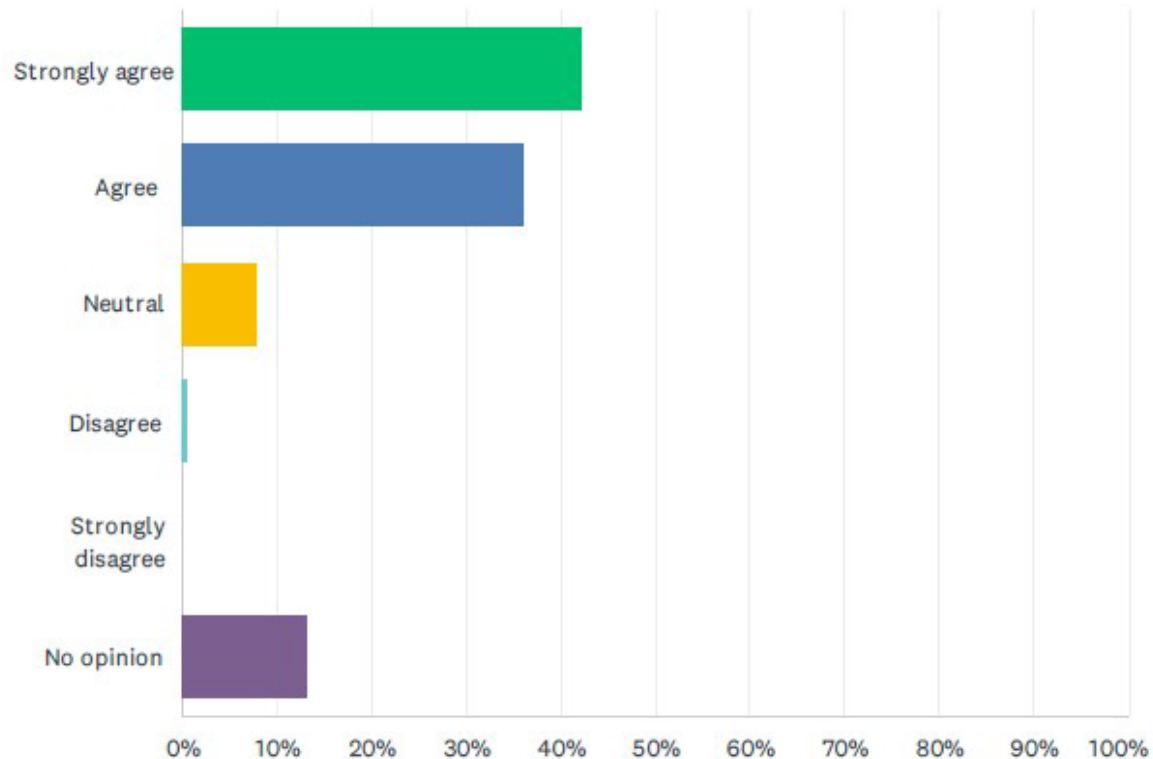
Answered: 653 Skipped: 2



Member Satisfaction Survey - April 2025 (Retiree)

Q8 MainePERS Staff are knowledgeable

Answered: 651 Skipped: 4



Retired Member Survey

- ▶ Generally satisfied with frequency of communication, clarity of information, & timeliness of responses
- ▶ Interested in information on cybersecurity awareness & preventing identity fraud
- ▶ Many retired members expressed appreciation for MainePERS and its staff
- ▶ About a third have accessed the Member Portal
- ▶ Compared to the 2024 Survey:
 - ▶ More respondents, 655 v 644
 - ▶ Same response rate, 28%

MEMORANDUM

Date: July 22, 2025

To: PLD Advisory Committee Members

From: Bill Brown, Director of Actuarial and Legislative Affairs

Re: Actuarial Valuation/Fiscal Year 2027 Rate Setting

Fiona Liston, Bonnie Rightnour and Greg Reardon from Cheiron will join the meeting to discuss the upcoming June 30, 2025 Valuation and fiscal year 2027 rate setting. This preliminary discussion is to prepare the Committee in advance of the discussion in November 18, at which rates will be set for fiscal year 2027.

2025 Valuation Results

The System's actuary, Cheiron, is working on the June 30, 2025 valuation, which will be completed in October. The results of the valuation report will be presented to the Board of Trustees for acceptance at its meeting on October 9. Cheiron will present the valuation report results to the Committee at its November 18 meeting.

Fiscal Year 2027 Rate Setting

Employer and member rates for fiscal year 2027 will be determined based on the results of the June 30, 2025 valuation work. Fiona will review how rates were established for fiscal year 2026 and discuss projected rates for fiscal year 2027, continuing with an approach that supports the goals of: 1) allocating costs 58% to employers and 42% to employees, and 2) paying the aggregate rate that is produced by the annual valuation. In order to provide employers with fiscal year 2027 rates in a timely manner the Committee will need to take an action to recommend rates at the November 18 meeting.



Classic Values, Innovative Advice

PLD Consolidated Plan Advisory Committee Meeting

Maine Public Employees Retirement System

Fiona E. Liston, FSA, EA, MAAA

Bonnie Rightnour, FSA, EA, MAAA

Greg Reardon, FSA, EA, MAAA

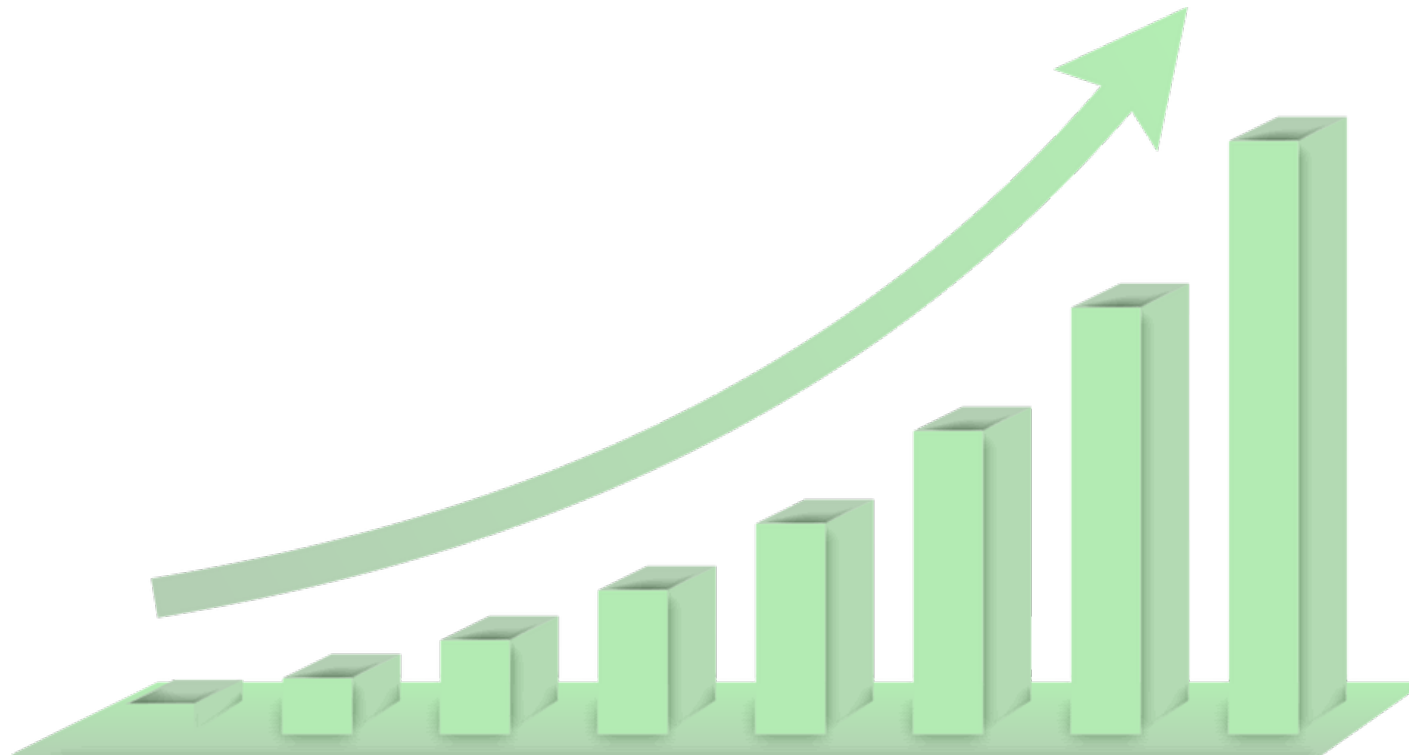
July 29, 2025



Agenda

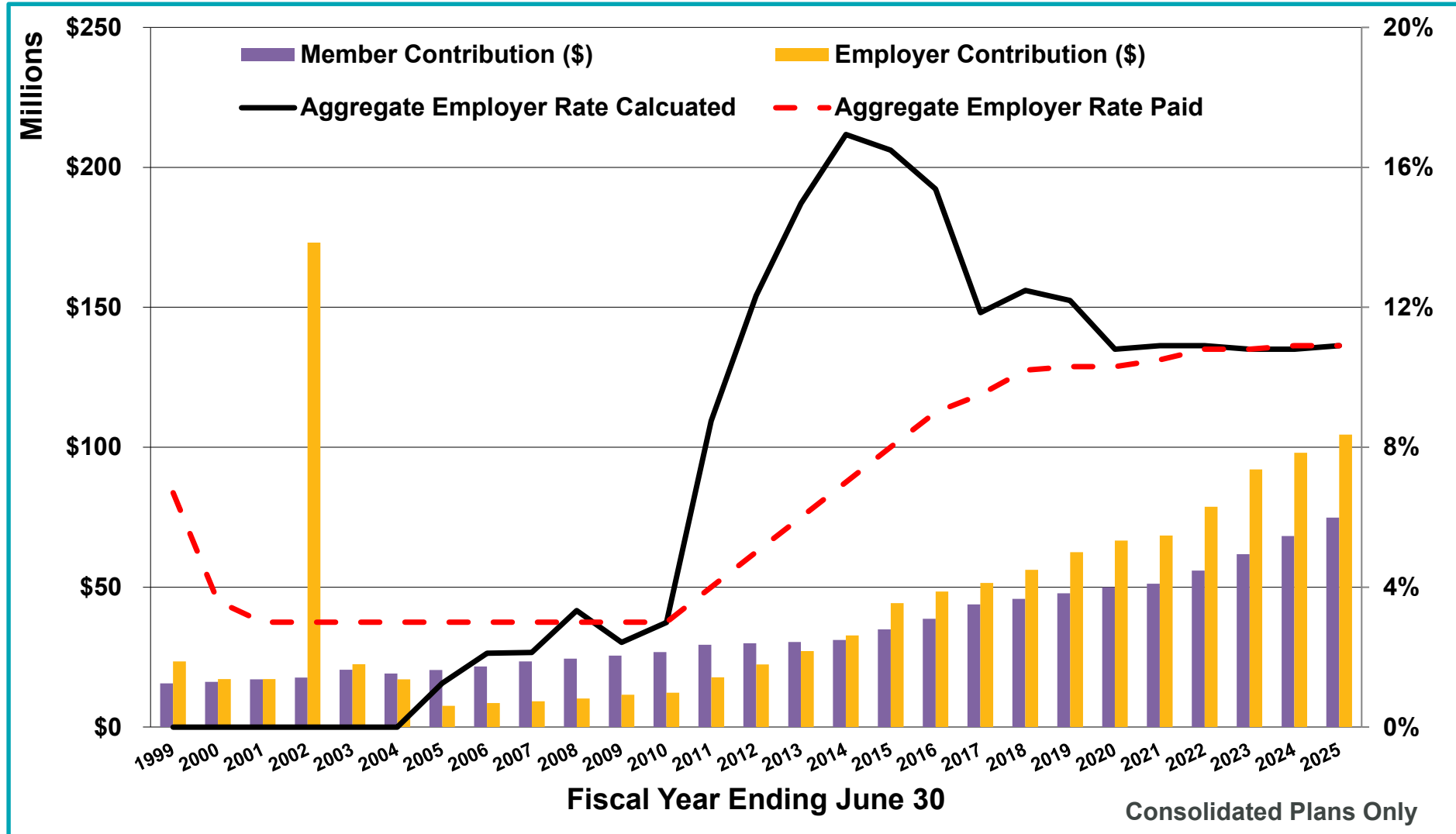


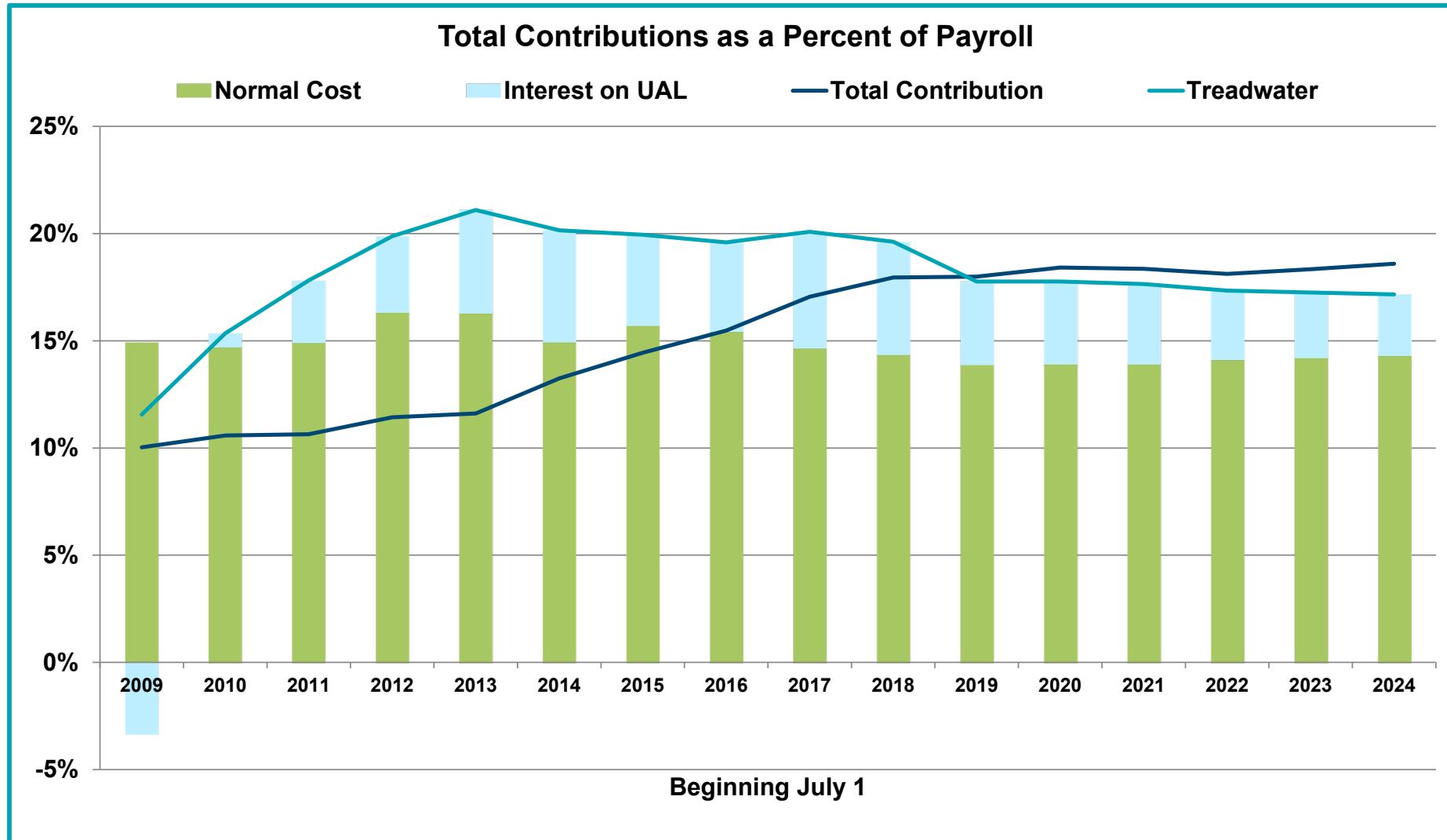
- Historical Review
- Process of Rate Setting
- FY 2027 Rate Setting Projections



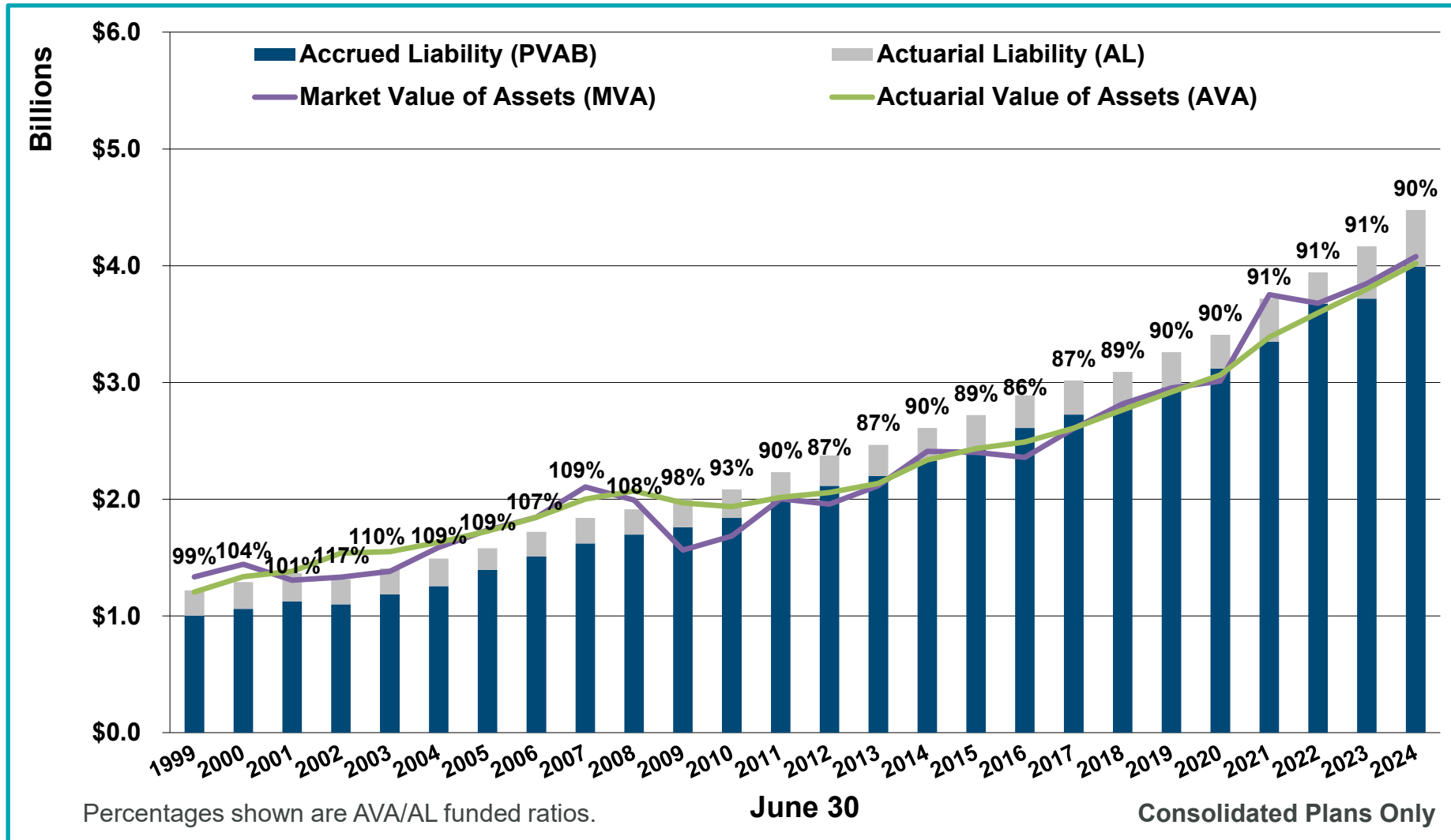
- Prior to 1996, PLDs had their own individual plans
 - Could set benefit parameters
 - Had individual pool of funding
- From 1994-96, the Consolidated Plan was established
 - 3-year window to join
 - 11 plans to choose from, including regular and special plan options
 - Initial Unpooled Unfunded Actuarial Liability (IUUAL) established as either an additional cost to pay or a surplus account that could be used to make pooled contributions (some paid these off in lump sums)
- Plan was 100% funded on a pooled basis
- Investment returns created large pooled surplus, so employer rates were dropped to 3% of payroll for FY 2001-2010

- Market downturn in 2008-09 used up remaining surplus and caused the calculated contribution rate to increase
- During the period FY 2011-2019, the actual rates were increased in a measured fashion from 3% to the calculated amount
- For the FY 2020 valuation, the Board adopted a rate-sharing methodology with a goal of having PLD pay 58% of the cost and members pay 42%
- It took a few years of phasing-in to this new methodology without unduly adjusting individual plan rates but with the FY 2025 rates (established with the 2023 valuation) the goal has been met





**Tread Water equals Normal Cost + interest on the Unfunded Actuarial Liability*





- PLD employer and member rates for FY 2020 and beyond are based on a risk-sharing framework
 - 58% PLD, 42% member
 - Contribution capped 12.5% employer, 9% member
 - Caps apply to the aggregate rates in both cases
- Plan-specific PLD rates for each of the sub-plans
- PLD member rates for each of the Regular Plans are now split into two distinct rates. A single distinct member rate continues for each Special Plan.
 - Age 60 Plan
 - Age 65 Plan

	<u>FY 2025 Rates</u>			<u>FY 2026 Rates</u>			<u>DIFFERENCE</u>		
	<u>PLD</u>	<u>Member*</u>	<u>Total</u>	<u>PLD</u>	<u>Member*</u>	<u>Total</u>	<u>PLD</u>	<u>Member*</u>	<u>Total</u>
Regular AC	9.9 %	7.1 %	17.0 %	10.2 %	7.3 %	17.5 %	0.3 %	0.2 %	0.5 %
Regular BC	5.1	3.7	8.8	5.0	3.6	8.6	(0.1)	(0.1)	(0.2)
Special 1C	14.0	10.1	24.1	14.1	10.2	24.3	0.1	0.1	0.2
Special 2C	11.8	8.5	20.3	12.1	8.8	20.9	0.3	0.3	0.6
Special 3C	12.8	9.2	22.0	13.2	9.5	22.7	0.4	0.3	0.7
Special 4C	13.0	9.4	22.4	12.9	9.4	22.3	(0.1)	0.0	(0.1)
Regular AN	8.8	6.3	15.1	9.0	6.6	15.6	0.2	0.3	0.5
Special 1N	12.0	8.7	20.7	12.9	9.3	22.2	0.9	0.6	1.5
Special 2N	11.0	8.0	19.0	11.0	7.9	18.9	0.0	(0.1)	(0.1)
Special 3N	11.0	8.0	19.0	11.4	8.2	19.6	0.4	0.2	0.6
Aggregate	10.8 %	7.8 %	18.6 %	11.2 %	8.0 %	19.2 %	0.4 %	0.2 %	0.6 %

* Aggregate member rate shown. Actual rates are 0.75% lower for age 65 regular plans than age 60 regular plans.

	<u>Active Head Counts as of 6/30/2024</u>				
	<u>Age 60</u>	<u>Age 65</u>	<u>Total</u>	<u>Payroll*</u>	<u>% of Total</u>
Regular AC	2,636	5,973	8,609	\$522.5	\$63.6
Regular BC	13	34	47	3.2	0.3
Special 1C			379	33.1	2.8
Special 2C			1,063	80.2	7.8
Special 3C			2,426	204.6	17.9
Special 4C			140	9.2	1.0
Regular AN	238	503	741	44.1	5.5
Special 1N			15	1.2	0.1
Special 2N			4	0.2	0.0
Special 3N			137	11.1	1.0
TOTAL PLAN			13,561	\$909.4	100.0%

* Payroll figures are in millions

- 7/1/2025 valuation will produce an aggregate contribution rate to be allocated to the subplans for FY 2027 budgets
- Rate will depend on actual liability experience and on investment returns through FY 2025
- Using an estimated return of 8.2% for FY 2025, we project a 0.3% decrease in the aggregate rate from 19.2% to 18.9% rate for FY 2027

- If the aggregate contribution rate developed in a given valuation exceeds the maximum level of 21.5% of payroll there may be a reduction in the COLA granted to retirees in an amount designed to close that gap
- For example – if the aggregate rate is calculated to be 23% of payroll
 - This is 1.5% in excess of the cap
 - If payroll is \$750 million then the contribution shortfall would be \$11.25 million
 - The amount of COLA otherwise payable to retirees would be reduced by an amount sufficient to recoup this shortfall
- This provision has not been triggered since it was instituted as part of the 2018 plan/funding changes

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

The actuarial assumptions, models used, data, and methods are those used in the preparation of the latest actuarial valuation reports prepared for these programs as of June 30, 2024.

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

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

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

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Date: July 23, 2025

To: PLD Advisory Committee Members

From: Bill Brown, Director of Actuarial and Legislative Affairs

Re: Cost-of-Living for PLD Retirees

We are providing preliminary information about inflation and retiree cost-of-living adjustments (COLA). This information is based on the 2024 valuation data and may change slightly once the 2025 valuation work has been completed.

Cost-of-Living for PLD Plan Retirees

The Board of Trustees is mandated by rule to award a cost-of-living adjustment (COLA) on retirement benefits each September based on the increase in the Consumer Price Index for All Urban Consumers (CPI-U) as of June 30th. The CPI-U for the year ending June 30, 2025 was 2.7%.

The increase for the PLD Consolidated Plan is paid to eligible retirees on the total benefit up to a cap of 2.5%. The Board is expected to vote at its August 14, 2025 meeting to grant the COLA as provided under the Plan.

While the plan provides for a 2.5% COLA, the actuarial assumption used for funding purposes is 1.91%. This assumption is based on the COLA experience of the plan and recognizes that the CPI-U is often lower than the 2.5% permitted under the plan. In years which the CPI-U is less than the 1.91% assumption, the plan has an experience "gain" which can decrease overall plan liabilities. In years in which the CPI-U is higher than the 1.91% assumption, as it has been for the past five years, the plan has an experience "loss" which can increase the overall plan liabilities.

The following table provides the experience loss information for the 2.5% COLA for 2025

	COLA Assumption (1.91%)	Capped COLA (2.5%)	Experience Loss
Liability (in millions)	\$42.0	\$55.0	\$13.0
Impact on Aggregate Contribution Rate	0.3%	0.4%	0.1%

Taken in isolation, the 2024 COLA would increase the aggregate plan rate by 0.1%. However, other plan experience (i.e. gains and losses) will be combined with the COLA experience to determine actual plan funding requirements.

Cost-of-Living for other Retirees

The COLA provisions for retirees from the State-sponsored plans, including State employees, teachers, legislators and judges, are different from those that apply to PLD Plan retirees. Specifically, the cap for these plans is 3%, and it is payable on a maximum level of benefits (i.e. “COLA base”), which for 2025 is \$26,426.98. In contrast, the cap for the PLD Plan is 2.5%, and the COLA applies to the entire benefit.

Information about recent COLA History

The table below shows COLA history since the COLA cap was lowered to 2.5%.

Year	CPI-U	COLA
2018	2.9%	2.5%
2019	1.6%	1.6%
2020	0.6%	0.6%
2021	5.4%	2.5% cap plus additional 1% cumulative COLA
2022	9.1%	2.5% cap plus additional 1% cumulative COLA
2023	3.0%	2.5% cap plus additional 0.5% one-time payment paid February 2024
2024	3.0%	2.5% cap

MEMORANDUM

Date: July 22, 2025
To: PLD Advisory Committee
From: Mike Colleran
Re: Rulemaking Recommendations

In addition to elimination of the Social Security offset, as discussed at the June special meeting of the Committee, we are recommending rulemaking to implement other legislation enacted during the session that concluded last month. Specifically, we are recommending amending Rule Chapter 803 and other rules as applicable to:

- Allow members to purchase up to 5 years of prior nonmilitary US government service at actuarial cost;
- Change the threshold for having to meet disability retirement pre-existing condition requirements from “fewer than 5 years of continuous creditable service” to “fewer than 5 years of creditable service;” and
- Permit the chief administrative officer of a PLD to clarify ambiguities in actions taken by the governing body.

We also are recommending two other changes to Rule Chapter 803. First, we are recommending that Section 13(6)(B)(2) of the Rule be revised to conform with federal plan qualification requirements, which do not permit a participant in a 401(a) defined contribution plan to make an election between employee contribution rates after initial hire or eligibility. Second, we are recommending that we remove a little-used and administratively inefficient provision added in 2018 that permits a member retiring early to forgo COLAs until normal retirement age in exchange for a slightly larger but actuarial equivalent monthly benefit.

We will explain these recommendations at the July meeting and request the Committee's concurrence with the recommendations.

PLD Plan Activity Memo

Date: July 29, 2025
To: PLD Advisory Committee Members
From: Deanna Doyle, PLD Plan Administrator

New or Rejoining PLD Employers (8)

Employer	Plan	Effective	# of Members or Potential Members	Comments
Andover, Town of	AC	2025	4	New PLD joining effective 8/1/2025 under regular plan AC for regular, full-time and part time employees working 20 or more hours per week, 52 weeks per year. Town has a Section 218 Agreement with Social Security. Town is not allowing employees to purchase credit for prior service but did adopt the limited period open enrollment provision.
Arundel, Town of	3C/AC	2025	20	New PLD joining effective 8/1/2025 under special plan 3C for firefighters who regularly work more than 20 hours per week and who are not seasonal or temporary and under regular plan AC for all other employees and for appointed officials who regularly work more than 20 hours per week and are not seasonal or temporary. Town has a Section 218 Agreement with Social Security. Town is allowing employees to purchase credit for prior service at their expense and did adopt the limited period open enrollment provision. Town authorized its Town Manager to adopt and 457b or 401a plan through MaineStart at any time.
Belmont, Town of	AC	2025	6	New PLD joining effective 7/1/2025 under regular plan AC for its full-time employees who regularly work 34 or more hours per week, 52 weeks per year and for its elected and appointed officials. Employer does not have a Section 218 Agreement with Social Security. Employer is allowing employees to purchase credit for prior service at their expense. Employer voted to allow its Select Board to adopt and 457b or 401a plan through MaineStart at any time.
Central Maine Highlands Fire & EMS District 1	3C	2025	20	New PLD joining effective 7/1/2025 under special plan 3C for permanent, full-time firefighters and emergency medical services employees. Employer does not have a Section 218 Agreement with Social Security. Employer is allowing employees to purchase credit for prior service at their expense and did adopt the limited period open enrollment provision. Employer is also adopting the Group Life Insurance Program with employer paid basic premiums. Employer voted to allow its President to adopt and 457b or 401a plan through MaineStart at any time.
Gouldsboro, Town of	AC	2025	8	New PLD joining effective 8/1/2025 regular plan AC for full-time employees who are not seasonal or temporary. Town has a Section 218 Agreement with Social Security. Town is allowing employees to purchase credit for prior service at their expense and did adopt the limited period open enrollment provision. Town authorized its Town Manager to adopt and 457b via MaineSTART and Town has done so effective 8/1/2025 with both traditional and Roth options.

New or Rejoining PLD Employers (Continued)

Employer	Plan	Effective	# of Members or Potential Members	Comments
MSAD #33 St Agatha	BC	2025	3	New School Support PLD joining effective 8/1/2025 under regular plan BC for its non-bargaining employees who regularly work more than 20 hours per week who are not seasonal or temporary. District is not allowing purchase of prior service at this time. District has a Section 218 Agreement with Social Security.
Passamaquoddy Tribe at Pleasant Point (P0411)	AC, 3C	2025	102	New PLD joining effective 5/1/2025 under special plan 3C for its permanent, full-time and permanent part-time dispatchers, EMS employees, firefighters and law enforcement officers and under regular plan AC for its permanent, full-time and permanent, part-time employees and compensated elected officials. the Tribe does have Social Security under a Section 218 Agreement. The Tribe is allowing employees to purchase credit for prior service at the employees' expense. The Tribe gave its Tribal Chief authorization to adopt a 457b or 401a plan with MaineStart and there are plans for the Tribe to adopt one of these plans effective 1/1/2026
Winter Harbor, Town of (P0413)	AC	2025	5	New PLD joining effective 7/1/2025 under regular plan AC for permanent, full-time employees who are not seasonal or temporary. Employer does have Social Security under a Section 218 Agreement. The Town is allowing employees to purchase credit for prior service at the employees' expense. The Town adopted the limited period open enrollment provision and the Group Life Insurance Program with all premiums to be paid by employees. Employer authorized its Town Manager to adopt and 457b or 401a plan through MaineStart at any time.

Withdrawals/Partial Withdrawals (1)

Employer	Plan	Effective	# of Members or Potential Members	Comments
RSU #54 - MSAD #54 (P0115)	AC	6/30/2025	Up to 130 in future	Partial withdrawal - school board voted to exclude ed tech 1s hired on/after 7/1/2025 from participating in MainePERS and paid partial withdrawal liability in the amount of \$158,733.00 in a lump sum. Ed Tech 1s first employed before 7/1/2025 who participated in MainePERS will continue to be covered due to one-time election but Ed Tech 1s first hired on/after 7/1/2025 are now excluded from participation in MainePERS

Employer Plan Changes (14)

Employer	New Plan	Old Plan	# of Members	Comments
Boothbay Harbor, Town of (P0146)	3C	2C	2	Adopted 3C for current full-time police officers for all eligible service effective 7/1/2025 and for service accrued by police officers after 6/30/2025. Town also clarified its membership eligibility guidelines, confirming it excludes employees and elected/appointed officials who work less than full-time or who are seasonal or temporary, including committee and board members, from participating in MainePERS. Town opted to establish an IUUAL for the \$49,955.00 and pay it off over a period of 15 years by making monthly payments of \$429.00 beginning in July 2025.
Buxton, Town of (P0370)	3C	2C	34	Adopted 3C future service only for dispatchers, EMS employees, firefighters and police officers effective 7/1/2025

Employer Plan Changes (Continued)

Employer	New Plan	Old Plan	# of Members	Comments
Clinton, Town of (P0385)	3C	3C	2	Employer paid employee contributions for police officers for period of bargaining contract - from 7/1/2025 through 6/30/2028 - caps employee contribution for 3C plan at 5% with Town covering the % over that.
Dayton, Town of (P0355)	3C	2C	5	Adopted 3C for future service only for Firefighters and EMS employees effective 7/1/2025
East Millinocket, Town of (P0054)	2C	AC	1	Adopted 2C for EMS employees for future service only effective 7/1/2025
Glenburn, Town of (P0174)	3C	N/A	4	Adopted 3C for firefighters effective 8/1/2025 for future service only (new fire dept).
Jay, Town of (P0045)	3C	2C	8	Adopted 3C for police officers for future service only effective 7/1/2025
Kittery, Town of (P0014)	3C	AC	8	Adopted special plan 3C for current firefighters effective 6/1/2025 for all service for period from 7/1/2024 through 5/31/2025 and adopted 3C for firefighters for service accrued after 5/31/2025. Town paid IUUAL created in the amount of \$16,326.00 in a lump sum.
Mechanic Falls, Town of (P0114)	3C	2C	8	Adopted 3C for future service only for full-time police officers effective 7/1/2025
Oxford County (P0057)	1C	2C	20	Adopted 1C for eligible law enforcement officers future service only effective 6/1/2025
RSU #29 - MSAD #29 (P0168)	AC	AC	5	Added coverage for non-Teacher plan management team administrators under AC effective 7/1/2025
Thomaston, Town of (P0164)	3C	AC	1	Adopted 3C for firefighters/EMS employees effective 7/1/2025 for future service only.
Winslow, Town of (P0362)	3C	3C	10	Employer paid employee contributions for police officers for period of bargaining contract - from 7/1/2025 through 6/30/2028 - caps employee contribution for 3C plan at 7% with Town covering the % over that.
Winthrop, Town of (P0179)	3C	AC	7	Adopted 3C for EMS employees future service only effective 8/1/2025

Pending Plan Change Inquiries (35)

Employer Plan	New Plan	Old Plan	# of Members	Comments
Androscoggin County (P0067)	2C, 3C or 4C	AC	6	Adopt a special plan for dispatchers
Bangor, City of (P0020)	AC	N/A	?	Add coverage under AC for certain general government employees.
Bar Harbor, Town of (P0015)	3C	2C & AC	10	Adopt 3C for all service for firefighters with 2C or AC service as firefighter, EMS or dispatcher with Town effective 7/1/2025. Firefighters have been participating in 3C since 7/1/2023.
Brunswick Fire & Police (P0292)	3C	1C	33	Adopt 3C for current police officers who opt to move to this plan from 1C for all service or for future service only and for police officers hired after effective date
Calais, City of (P0036)	2C	AC	12	Adopt 2C for public safety employees future service only
Easton, Town of and Easton School Department (P0240, P0240A)	Adopt Group Life Insurance	—	?	Adopt Group Life Insurance for PLD School Support Employees
Ellsworth, City of (P0013)	3C	2C	14 PO, 19 FF	Adopt 3C for police officers and/or firefighters for future service only
Franklin County (P0102)	Drop Open Enrollment	N/A	?	Drop limited period open enrollment provision starting in 2025
Franklin County (P0102)	2C or 3C	AC	9	Adopt 2C or 3C for dispatchers for future service only or for all service full or limited
Freeport, Town of (P0142)	1C	3C	18	Adopt 1C from 3C for police officers future service only

Pending Plan Change Inquiries (Continued)				
Employer Plan	New Plan	Old Plan	# of Members	Comments
Fryeburg, Town of (P0149)	AC	AN	?	Adopt AC for future service only for public works employees
Gray, Town of (P0399)	AC	N/A	49	Add coverage for additional classifications of employees under AC
Kittery, Town of (P0014)	3C	AC	6	Adopt special plan 3C for dispatchers for all service or just for service back to 7/1/2024
Lincoln, Town of (P0076)	3C	3N	26	Adopt 3C for firefighters and/or police officers future service only
Mt. Desert, Town of (P0016)	3C	2C & AC	19+	Adopt 3C for all service for current police (including harbor masters), firefighters and dispatchers
Mt. Desert, Town of (P0016)	Adopt Open Enrollment	N/A	?	Adopt open enrollment in time for 2025
Newport, Town of (P0314)	Adopt Open Enrollment	N/A	?	Adopt open enrollment in time for 2025
Norway, Town of (P0125)	3C	2C	10	Adopt 3C for Police future service only
Old Town, City of (P0111)	Adopt COLA 3C and 2C for Police Officers and Firefighters for all service	3N & 2N before 1/1/2014	15 PO 22 FF	Adopt COLA for all service for police officers and firefighters (upgrading 3N and 2N service to 3C and 2C service) effective 7/1/2025
Orono, Town of (P0061)	Adopt Open Enrollment	N/A	?	Adopt open enrollment in time for 2025
Paris, Town of (P0127)	3C	2C	6	Adopt 3C for police effective 9/1/2024 for future service only
Penobscot County (P0011)	3C	2C,AC	45,26	Adopt 3C for law enforcement officers and/or dispatchers future service only
Regional School Unit No. 20	AC	N/A	1	Add coverage for Director of Buildings, Grounds & Transportation under AC effective 7/1/2024
Regional School Unit No. 23	Clarify Membership Exclusions	AC	N/A	Need to take an action to clarify the RSUs intent since the beginning regarding membership exclusions.
RSU #39 (P0332)	AC	AC	2	Add coverage for full-time central office staff under AC
RSU #49 - MSAD #49 (P0189)	AN	N/A	5	Add coverage for additional classifications of school support employees and/or adopt open enrollment
Sagadahoc County (P0096)	3C	AC	1	Adopt 3C future service only for domestic violence investigator
Searsport, Town of (P0117)	3C	3N	4	Adopt 3C for police officers future service only
University of Maine System (P0379)	2C or 3C	N/A	?	Add coverage under 3C or 2C for non-union police officers (Chief and Captains)
Pending Plan Change Inquiries (Continued)				
Employer Plan	New Plan	Old Plan	# of Members	Comments
Waldoboro, Town of (P0195)	2C	AC	?	Adopt 2C for public works employees future service only
Waldo County (P0046)	3C	2C		Adopt 3C future service only for certain corrections employees
Wells Fire & Police (P0349)	1C	3C & 2C	24	Adopt 1C for all service full or limited for police officers
Wells, Town of (P0107)	3C or 2C	AC	8	Adopt 3C or 2C for all service full or limited for dispatchers
Winthrop, Town of (P0179)	1C or 3C	2C	8	Adopt 1C or 3C for police officers future service only
York, Town of (P0028)	3C	2C	8	Adopt 3C from 2C future service only for firefighters future service only effective 12/1/2025

Pending New or Rejoining PLD Employer Inquiries (27)

Employer	In Addition to SS?	Effective	# of Potential Members	Comments
Boothbay, Town of	Yes	2025	27	New PLD
Boothbay Region Refuse Disposal District	No	2025	15	New PLD- Confirmed qualifies as Local District
Canaan, Town of	Yes	2025	3 FT, 17 PT	New PLD
Cape Elizabeth, Town of (P0085)	Yes	2025	?	Rejoin under Consolidated Plan for firefighters and general gov't employees and then later for public works employees when negotiations begin
Carrabassett Valley Sanitary District	No but adopting one	2025	3	New PLD - Join under AN effective 9/1/2025
Clifton, Town of	No	2025	2	New PLD
Eagle Lake, Town of	Yes	2025	3	New PLD - join for full-time employees
Gorham, Town of (P0133)	Yes	2025	?	Rejoin for general government employees under AC
Littleton, Town of	Yes	2025	3	New PLD
Maine Indian Tribal-State Commission	?	2025	2	New PLD if qualify as Local District
Maine Organic Farmers and Gardeners Association (MOFGA)	?	2025	?	New PLD if qualify as Local District
Milo, Town of (P0104)	Yes	2025	15	Rejoin
Minot, Town of	Yes	2025	?	New PLD
MSAD #4 - Guilford	Yes	2025	?	New School Support PLD
MSAD #27 Fort Kent	Yes	2025	?	New School Support PLD for Bus Drivers/Custodians
Newburgh, Town of	Yes	2025	?	New PLD
Passamaquoddy Indian Township Reservation	Yes	2025	?	New PLD
Penobscot Nation Warden Service	?	2025	?	New PLD - Need to determine if under Indian Tribal Government
Portland Water District	Yes	2025	180	New PLD

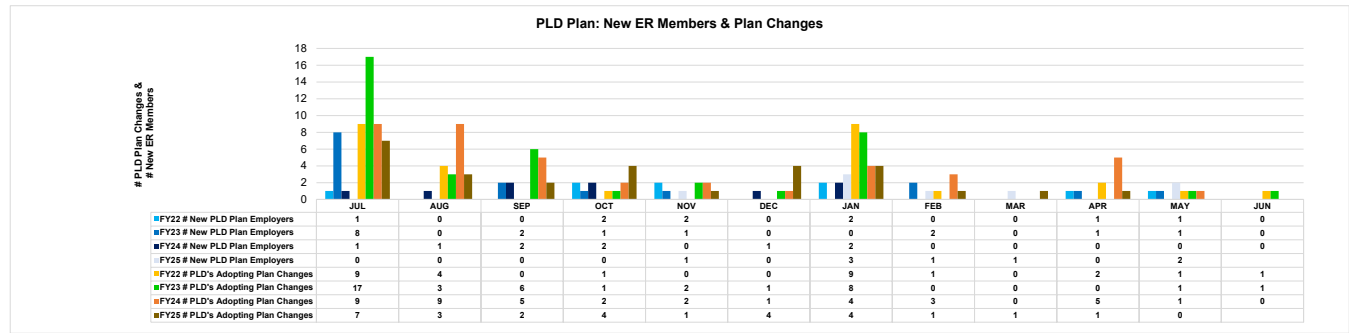
Pending New or Rejoining PLD Employer Inquiries (Continued)

Employer	In Addition to SS?	Effective	# of Potential Members	Comments
Rome, Town of	No	2025	?	New PLD
RSU #50 - Southern Aroostook	Yes	2025	?	New School Support PLD
Saco River Corridor Commission	No	2025	?	New PLD if qualifies as Local District
Strong, Town of	Yes	2025	?	New PLD
Swanville, Town of	No	2026	?	New PLD
Unity, Town of	Yes	2025	?	New PLD
West Paris, Town of (P0436)	Yes	2025	?	New PLD - Currently GLI Only Employer
Woodland, Town of	Yes	2025	?	New PLD

Active Withdrawal /Partial Withdrawal Inquiries (3)

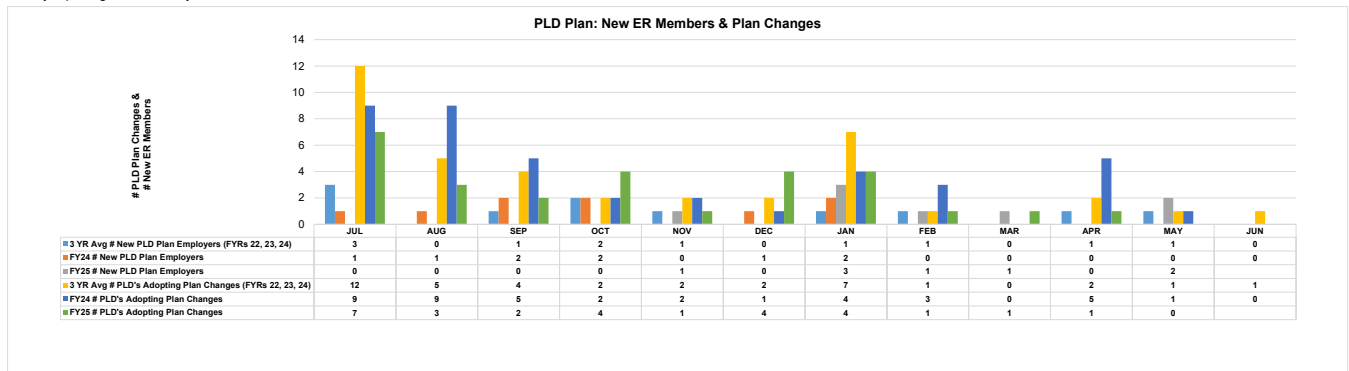
Employer	In Addition to SS?	Effective	# of Potential Members	Comments
Midcoast Council of Governments (P0343)	No	TBD	?	Wants to make full withdrawal, have not be administering plan appropriately for several years so need to resolve membership issues first
Milford, Town of & Milford School Dept (P0186, P0186A)	Yes	?	?	Considering excluding school support staff going forward - currently 0 school support staff participating - Town and School decided not to pursue withdrawing in 2024 but may do so in 2025
Portland, City of (P0002, P0002A)	No - Alternate Plan	?	600	Inquiring about withdrawing from participation in the Group Life Insurance Program only - this routinely happens when the City goes out to bid for this benefit.

PLD Plan



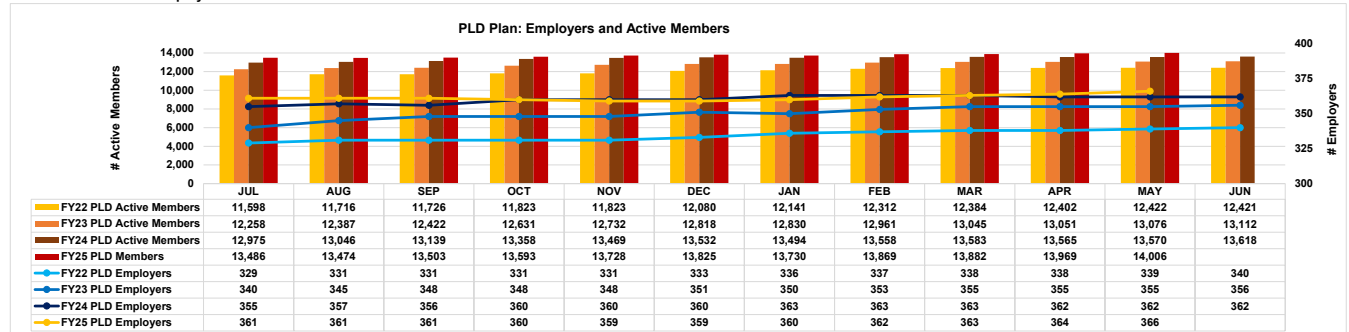
PLD Plan: Number of new employers joining the PLD Retirement Program and number of employers making plan changes.

Note: This metric has transitioned to reflect PLD employer changes (joining, returning, adopting plan changes) in the month of their implementation. Prior reporting included PLD changes occurring in future months. This new format is consistent with MainePERS activity reporting to our actuary.

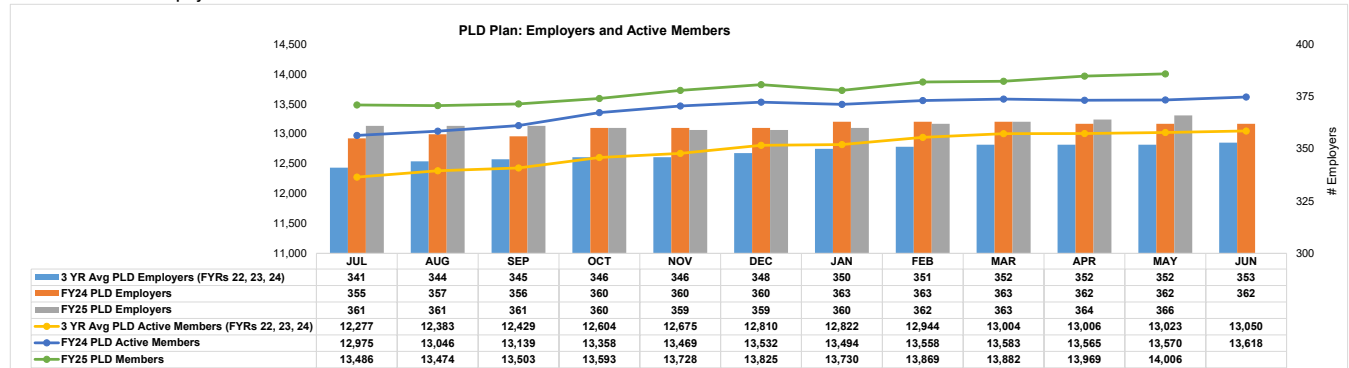


PLD Plan: 3 year average includes FY22, FY23 and FY24 for the number of new employers joining the PLD Retirement Program and number of employers making plan changes against fiscal years 2024 and 2025.

PLD Plan - Cumulative Employer and Member Numbers

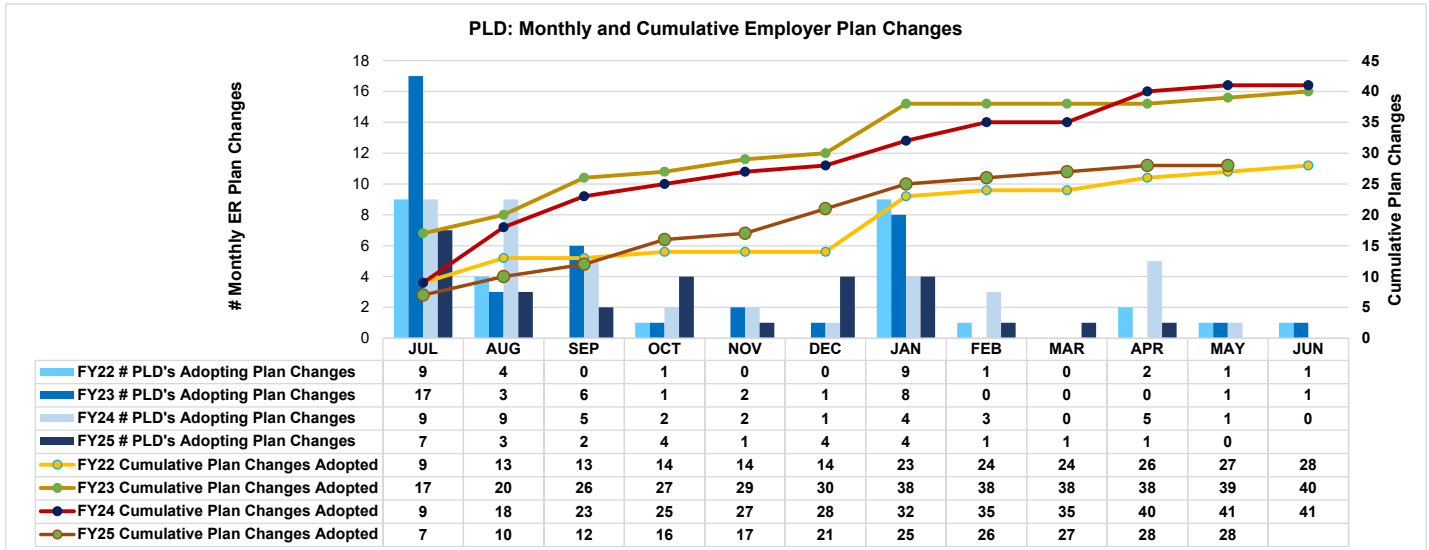


PLD Plan - Cumulative Employer and Member Numbers

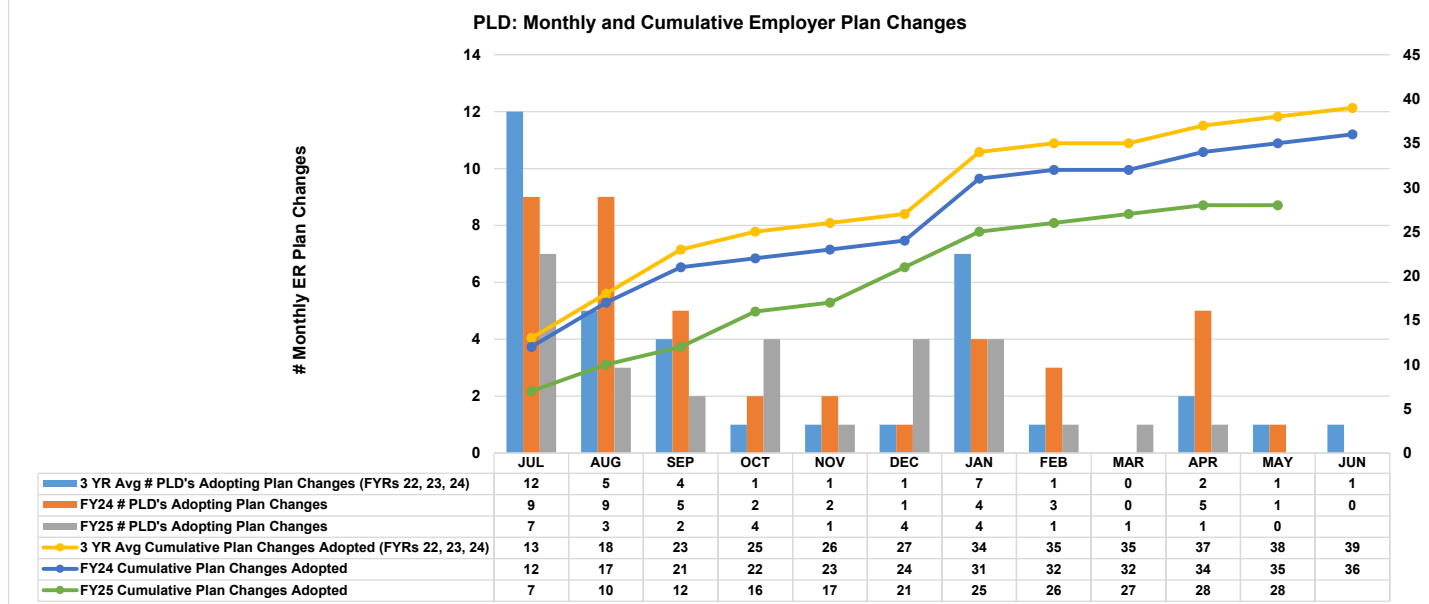


PLD Plan Employers and Active Members: 3 year average includes FY22, FY23 and FY24 for the number of employers in the PLD Retirement Program and number of active members against fiscal years 2024 and 2025.

PLD Plan - Monthly and Cumulative Employer Plan Changes



PLD Plan - Monthly and Cumulative Employer Plan Changes



Monthly and Cumulative Employer Plan Changes: 3 year average includes FY22, FY23 and FY24 for the number of employers in the PLD Retirement Program and number of active members against fiscal years 2024 and 2025.