

**Maine Public Employees  
Retirement System  
Consolidated Plan  
for Participating Local Districts**

**Actuarial Valuation Report  
as of June 30, 2013**

**Produced by [Cheiron](#)**

**October 2013**

## Table of Contents

Letter of Transmittal.....	i
Foreword.....	ii
Section I – Board Summary.....	1
Section II – Assets .....	12
Section III – Liabilities .....	17
Section IV – Contributions .....	20
Section V – Accounting Statement Information.....	24
Appendix A – Participating Local District Plan Elections .....	30
Appendix B – Member and Benefits Recipients Data and Profiles.....	42
Appendix C – Summary of Plan Provisions .....	49
Appendix D – Actuarial Assumptions and Methods .....	57

October 31, 2013

Board of Trustees  
Maine Public Employees Retirement System  
#46 State House Station  
Augusta, Maine 04333-0046

Dear Members of the Board:

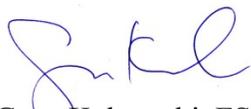
We are pleased to submit the June 30, 2013 Actuarial Valuation Report for the Consolidated Plan for Participating Local Districts of the Maine Public Employees Retirement System. This report contains information on assets, liabilities, and contributions of the System's Retirement Programs, as well as the required accounting statement disclosures under the Government Accounting Standards Board Statement No. 25.

In preparing our report, we relied on information (some oral and some written) supplied by the System's staff. This information includes, but is not limited to, the plan provisions, employee data, and financial information. 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.

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

This valuation was prepared for the Maine Public Employees Retirement System for the purposes described herein and for the use by the plan auditor in completing an audit related to the matters herein. This valuation report is not intended to benefit any third party, and Cheiron assumes no duty or liability to any such party.

Sincerely,  
Cheiron



Gene Kalwarski, FSA, EA  
Principal Consulting Actuary



Fiona E. Liston, FSA, EA  
Principal Consulting Actuary



**CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS  
OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2013**

**FOREWORD**

Cheiron has performed the Actuarial Valuation of the Consolidated Plan for Participating Local Districts (PLDs) of the Maine Public Employees Retirement System (MainePERS) as of June 30, 2013. The purpose of this report is to:

- 1) **Measure and disclose**, as of the valuation date, the financial condition of the Plan;
- 2) **Indicate trends** in the financial progress of the Plan;
- 3) **Determine the contribution rate** to be paid by the PLDs for Fiscal Year (FY) 2015; and
- 4) **Provide specific information** and documentation required by the Governmental Accounting Standards Board (GASB).

An actuarial valuation establishes and analyzes plan assets and liabilities on a consistent basis, and traces the progress of both from one year to the next. It includes measurement of the Plan's investment performance as well as an analysis of actuarial liability gains and losses.

**Section I** presents a summary containing our findings and discloses important trends experienced by the Plan in recent years.

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

**Section III** shows similar information on plan liabilities, measured for actuarial, accounting, and government reporting purposes.

**Section IV** develops the PLD contribution rates determined using actuarial techniques and compares that to the reduced rates currently in place.

**Section V** includes the required disclosures under GASB Statement No. 25.

The appendices to this report contain a summary of the Plan's membership at the valuation date, a summary of the major provisions of the Plan, and the actuarial methods and assumptions used in the valuations.

In preparing our report, we relied on information (some oral and some written) supplied by the MainePERS's staff. This information includes, but is not limited to, plan provisions, employee data, and financial information.

The actuarial assumptions reflect our understanding of the likely future experience of the Plan, and the assumptions as a whole represent our best estimate for the future experience of the Plan. The accuracy of the results presented in this report is dependent upon future experience conforming to these assumptions. To the extent that future experience deviates from the actuarial assumptions, the true cost of the Plan could vary from our results.

Finally, in preparing this report, we have conformed to generally accepted actuarial principles and practices which are consistent with the Code of Professional Conduct, and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board.

**CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS  
OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2013**

**SECTION I  
BOARD SUMMARY**

**General Comments**

Most of the Participating Local Districts (PLDs) in the State of Maine participate in this Consolidated Retirement Plan. The Plan offers a number of benefit choices from which the PLDs can choose, and each benefit choice has its own cost associated with it to be paid by both the member and the PLD. Costs are set using a corridor funding method. Under this funding approach, as long as the Plan's funded status (the ratio of actuarial value of assets to actuarial liability) remains within a corridor of 90% to 130%, the total PLD contribution rate is fixed at the rate paid in the prior year

If the funded status falls outside of the corridor, the employer contribution rate will be incrementally adjusted but will never be less than a given minimum rate (1%). The factor for incremental adjustments, when the funded status falls outside the range, is 10% of the difference between the calculated rate and the rate then in effect. Even if the rate is reduced for a number of years, it will never fall below 1% of payroll.

The "calculated rate" discussed above is defined as the sum of the Plan's normal cost and a 15-year amortization of the "Pooled Unfunded Actuarial Liability" (PUAL). In addition to this payroll-based employer contribution rate, many PLDs are making additional payments (or taking additional credits) to adjust for their Individual Unpooled Unfunded Actuarial Liability (IUUAL) or to pay a "contribution surplus" amount to provide equity between those just coming into the Plan and those whose earlier contributions gave rise to the PUAL surplus and its resulting low contribution rates.

As of this June 30, 2013 valuation, the funded ratio is 87%. Since this funded level is less than 90%, the corridor calculation requires an adjustment. Over the last year four years, the rate has been increasing from 3% of payroll to 7% of payroll and it will increase to 8% in FY 2015. These increases had been made in anticipation of the funded ratio falling outside the corridor. Now that it has, the stepped up rate is appropriate to the automatic corridor adjustment.

Benefit provisions will change for both current plan participants and future hires. The key change for existing active members and retirees is that the post-retirement COLA cap will be reduced from 4% to 3% for COLAs granted in 2014 and later, all who retire on or after September 1, 2015 will need to have been retired for a full 12 months before receiving their first COLA increase and member contributions will increase by 0.5% in each of FY 15, FY 16 and FY 17. In addition to these changes, for all new plan participants after June 30, 2014, the retirement age has been increased from age 60 to 65 and the early retirement reduction factors have been increased to 6% per year early.

This report does not reflect any changes in pension accounting requirements from newly issues GASB Statements Nos. 67 and 68. Statement No. 67 will be effective for the plan year ending June 30, 2014. Statement No. 68 will be effective for the employers' fiscal years beginning after June 15, 2014. All reference with respect to GASB refer to the current statements No. 25 and 27.

The remainder of this section summarizes the Plan's trends, provides the projections, and summarizes the principal results of this year's valuation.

**CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS  
OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2013**

**SECTION I  
BOARD SUMMARY**

**Trends**

The financial markets produced a positive 11.2% return this year, which was above the actuarial assumption of 7.25%. On an actuarial value basis, the assets returned 6.76% compared with an assumed rate of return of 7.25%, producing an asset loss of \$26.7 million on PLD assets.

The measurement of liabilities produced a loss this year in the amount of \$20.3 million. The change in plan provisions decreased liability by \$116.6 million. A new participant data system was utilized for this June 30, 2013 valuation. The new system, among other things, allowed us to identify for the first time part time members, and in addition the new system provided W-2 earnings as well as annualized equivalent salary. These changes resulted in a lower overall payroll figure which increased the calculated contribution rates. The new data also increased the liabilities otherwise calculated by \$64.5 million.

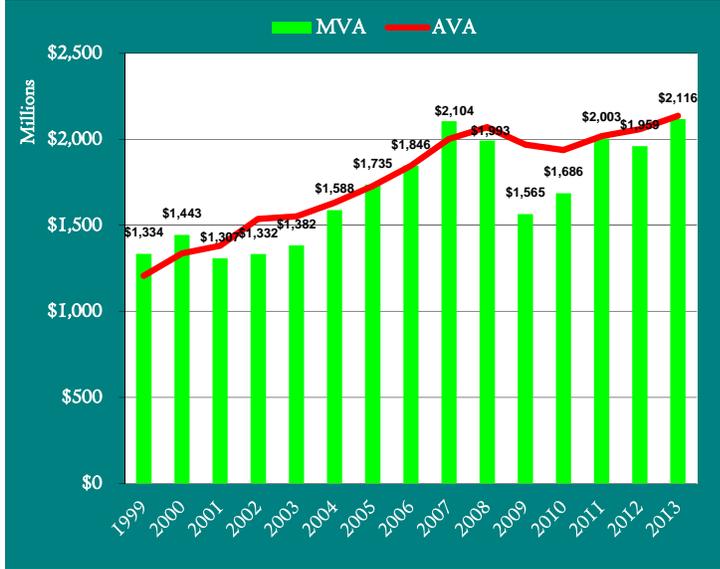
The combined effect of these components over the last year produced a net gain of \$5.0 million. The continued ramp up of contributions meant the Plan received less in contributions than was required to maintain its funded status and so the Plan's funding ratio (actuarial value of assets over actuarial accrued liability) slightly decreased from 86.9% as of June 30, 2012 to 86.6% as of June 30, 2013.

It is important to take a step back from the latest results and view them in the context of the Plan's recent history. On the next three pages, we present a series of charts which display key factors in the valuations over the last 15 years. After the historical review, we present a few projection graphs, showing the probable condition of the Plan over the next 15 years under various market return scenarios.

**CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS  
OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2013**

**SECTION I  
BOARD SUMMARY**

Growth in Assets



This graph illustrates how the actuarial smoothing method continues to insulate the Plan from market volatility. The market value of assets is shown in the graph labels.

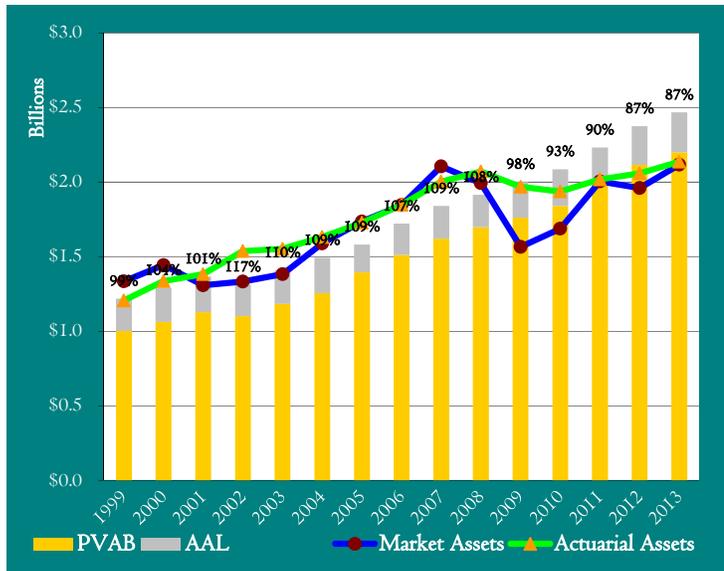
The market value of assets (MVA) has not fully rebounded from the losses suffered in 2008 and 2009. The actuarial, or smoothed, value of assets (AVA) remains higher than MVA.

Assets and Liabilities

In this comparison graph, the colored bars represent the different measures of liability mentioned in this report. For funding purposes, the target amount Actuarial Liability (the AL) is represented by the top of the grey bar. We compare the actuarial value of assets to this measure of liability in developing the funded percentages. These are the percentages shown in the graph labels.

The chart illustrates that the Plan had its highest funded percentage (117%) at June 30, 2002, which was just after several PLDs paid off their IUUALs.

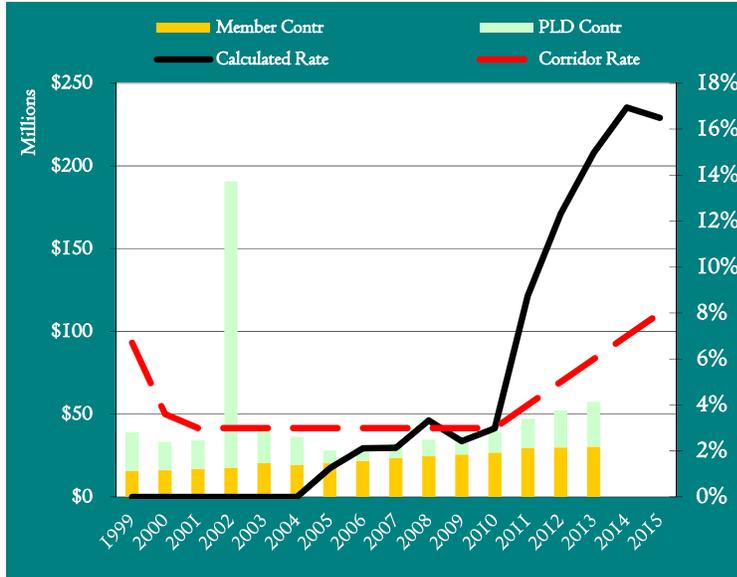
The yellow bars represent the Present Value of Accrued Benefits (PVAB) which is the value of all benefits accrued through the valuation date.



**CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS  
OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2013**

**SECTION I  
BOARD SUMMARY**

Contributions



The stacked bars in this graph show the contributions made by both the PLDs and the members in dollar terms for the fiscal year ending as of the year shown. The black line shows the aggregate actuarially computed PLD contribution rate as a percent of payroll, and the red dotted line shows the corridor contribution rate which is being paid. The increase in the calculated rate was due to investment losses sustained in the 2008-09 plan year which are still being recognized in the smoothing method. The increases in the corridor rate combined with plan changes

should work to close this gap. Since there is a lag between the calculation of a contribution rate and the year in which it applies, we are showing two more contribution rates than dollar amounts of contribution. This is to indicate the direction and magnitude of the change in each of these amounts over the coming fiscal years.

The member contribution rate is set by statute, depending on the plan in which the member participates. The employer contribution rate paid by each PLD is set by this valuation and varies according to the plan in which covered members participate. Some PLDs have an initial charge or credit in addition to the percent of payroll contribution. The large dollar amount contributed in FY 2002 was due to several PLDs paying off their IUUAL amounts.

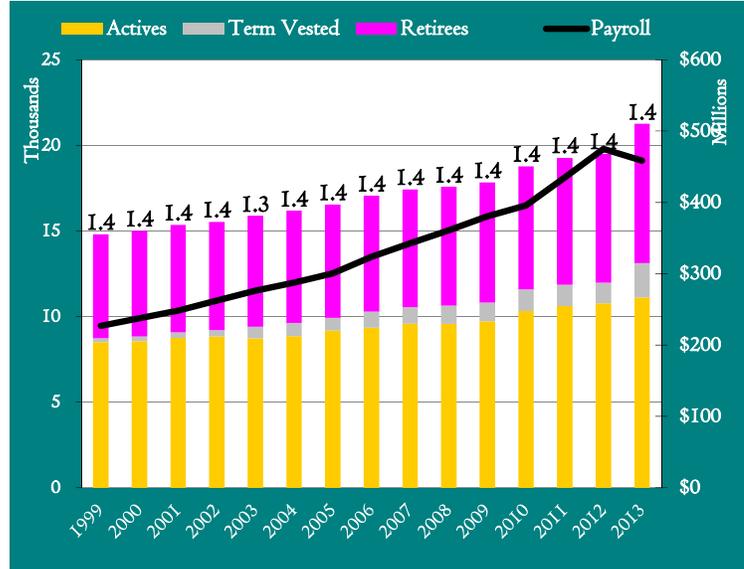
**CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS  
OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2013**

**SECTION I  
BOARD SUMMARY**

Participant Trends

The chart to the right shows the number of actives, terminated vested and retired members covered by the Consolidated Plan. The black line indicates growth in the covered payroll of actives in this Plan. The use of a revised data collection process lead to the reduction in the covered payroll for this valuation.

There has been about 1.9% per year growth in the active and a 2.1% per year growth in the retired members of the Plan over the time period shown. The terminated vested group has shown the most growth, averaging 16.5% per year.



As with many funds in this country, there has been a steady growth in the number of retired members as the Plan has matured. The labels above each bar show the ratio of active members per inactive members. We anticipate that this ratio will begin to decline as the baby boom generation enters retirement. While a declining ratio would be a concern in a plan with no prefunding, in MainePERS's case, it merely indicates that on a cash flow basis, there is more money being paid for benefits than made in contributions. The more negative that a plan's cash flows are, the more sensitive (in terms of contribution volatility) the plan is to volatile investment markets. The valuation process takes this trend into account, and the projections on the next three pages show that the assets are expected to be sufficient to meet this growing demand.

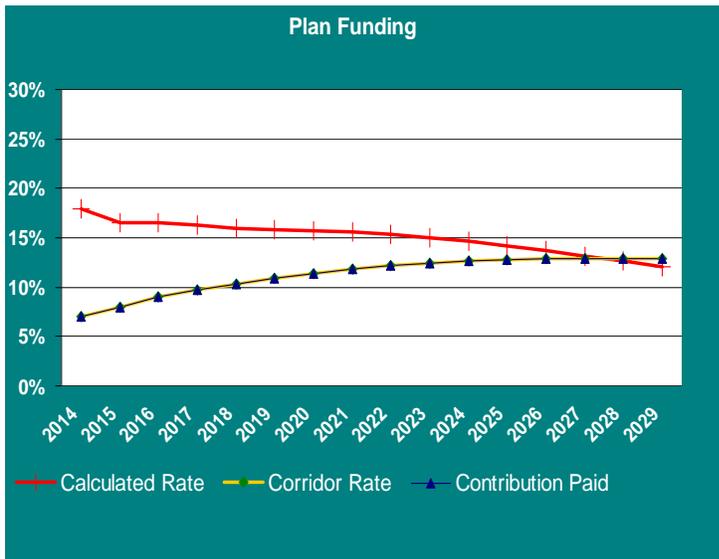
**CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS  
OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2013**

**SECTION I  
BOARD SUMMARY**

**Projections**

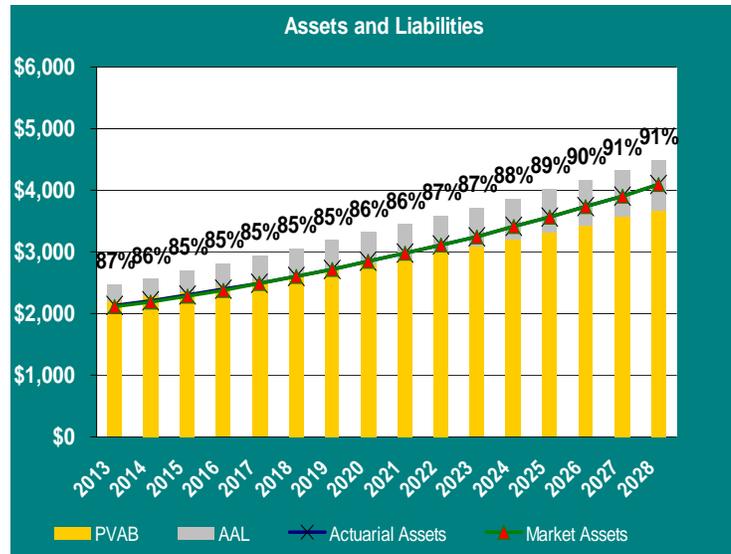
Our analysis of the projected financial trends for MainePERS is an important part of this valuation. In this Section, we present a sensitivity analysis of future valuation results in terms of benefit security (assets over liabilities) and the PLDs' expected cost progression. We first present a baseline projection of these future results if the assumed 7.25% investment return were achieved each year. We then present the same projections based on earnings 1% above and 1% below the assumed 7.25% return. The primary purpose of presenting these projections is to demonstrate how sensitive future valuation results could be to positive and negative investment markets.

Base Line Projections



These two charts show the expected progress of the Plan over the next 15 years assuming the Plan's assets earn 7.25% on their *market value*. The chart entitled "Plan Funding" shows that as the UAL is paid down over time the corridor contribution rate catches up to the calculated rate. Both rates are shown as those being in effect for the fiscal year ending in the year identified.

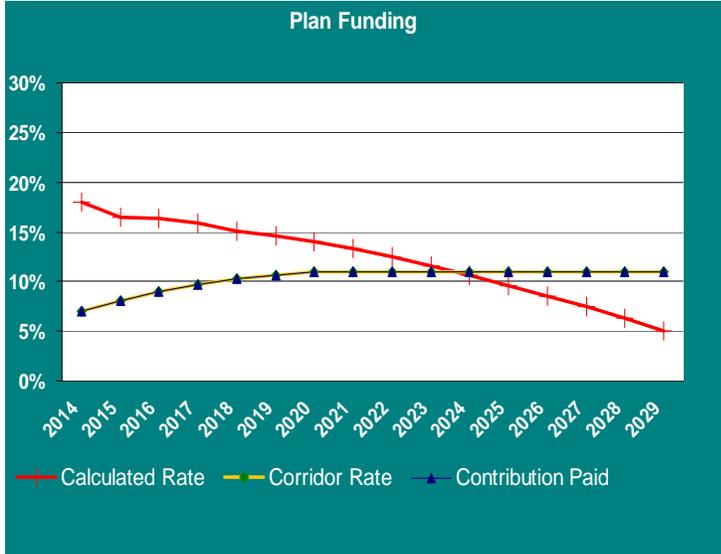
The Assets and Liabilities chart shows the projected funding status over the next 15 years. The current contribution rate structure is assumed to remain in place. The Plan's funded status is projected to decrease while contributions were ramped up, then the ratio slowly increases.



**CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS  
OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2013**

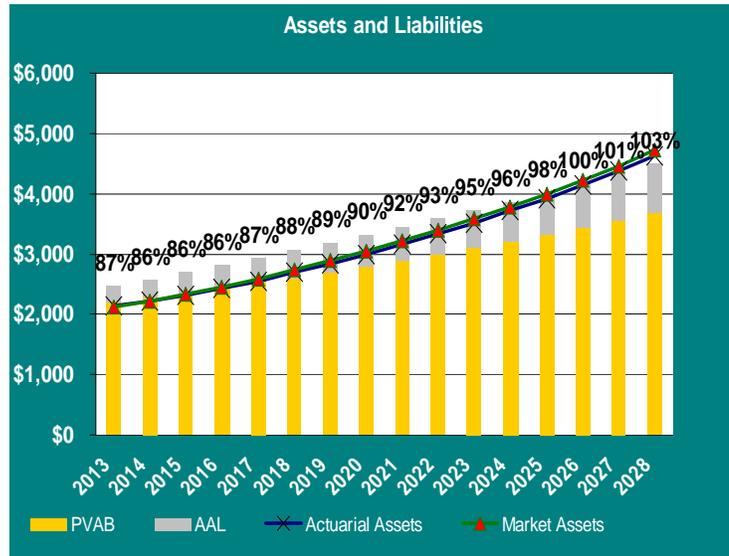
**SECTION I  
BOARD SUMMARY**

Projections with Asset Returns of 8.25%



The future funding of this Plan will be largely driven by the investment earnings. Due to the size of assets, as compared to liabilities, the Plan is in a highly leveraged position. This means that relatively minor changes in the market returns can have significant effects on the Plan's status. The next two charts show what the next 15 years would look like with an 8.25% annual return in each year.

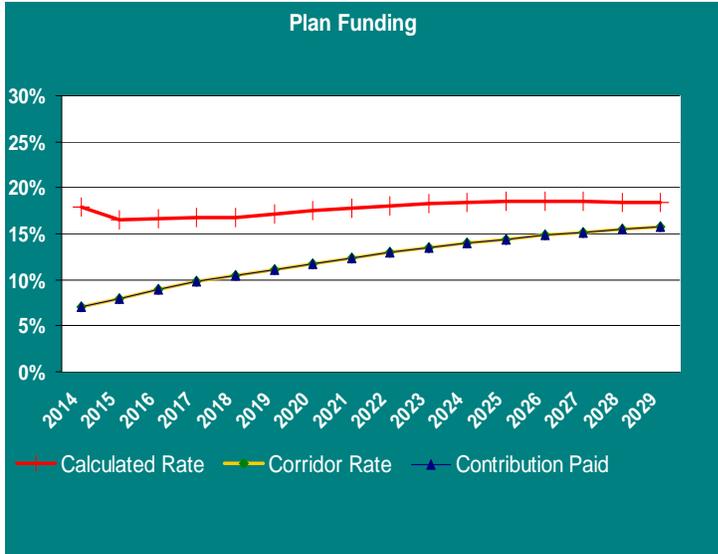
The aggregate contribution rate produced by the valuation process would decrease to around 5% of payroll, and the corridor method rate would increase to level out at 12%. The funded ratio decreases to 86% before improving to reach 103% by the end of the period shown.



**CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS  
OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2013**

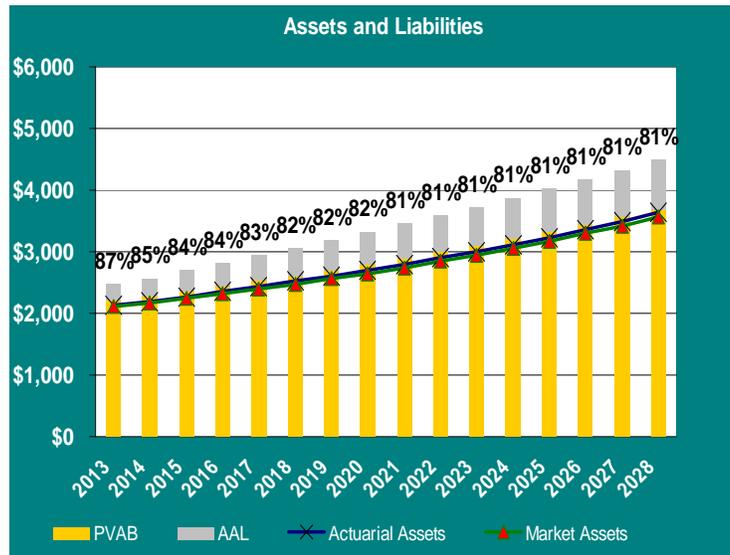
**SECTION I  
BOARD SUMMARY**

Projections with Asset Returns of 6.25%



If the assets were to return an average of 6.25% per year over the next 15 years, the contribution rate doesn't drop as much or as quickly as it would under a better earnings scenario.

Under this scenario, the funded ratio would fall to 83% by the end of the period shown.



CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS  
OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2013

SECTION I  
BOARD SUMMARY

<b>Table I-1</b>			
<b>Summary of Principal Results</b>			
<b>PLD Consolidated Retirement Plan</b>			
<b>Total</b>			
<b>Valuation as of:</b>	<b>June 30, 2012</b>	<b>June 30, 2013</b>	<b>% Change</b>
<b><u>Participant Counts</u></b>			
Actives	10,772	11,112	3.2%
Retired Members	5,181	5,659	9.2%
Beneficiaries of Retired Members	1,826	1,883	3.1%
Survivors of Deceased Members	166	174	4.8%
Disabled Members	347	406	17.0%
Terminated Vested Members	1,211	2,017	66.6%
Total Membership*	19,503	21,251	9.0%
Annual Salaries of Active Members	\$ 474,828,262	\$ 458,424,764	(3.5%)
Annual Retirement Allowances for Retired Members, Beneficiaries, Survivors and Disabled Members	\$ 110,230,682	\$ 116,539,396	5.7%
<b><u>Assets and Liabilities</u></b>			
<b><u>Funding Liability</u></b>			
Actuarial Accrued Liability	\$ 2,368,827,159	\$ 2,465,934,744	4.1%
Actuarial Value of Assets	2,057,440,556	2,136,036,197	3.8%
Unfunded Actuarial Liability	\$ 311,386,603	\$ 329,898,546	5.9%
Unpooled Portion (IUUAL)	6,860,396	5,802,929	(15.4%)
Pooled Portion (PUAL)	\$ 304,526,207	\$ 324,095,617	6.4%
Actuarial Liability Funding Ratio	86.85%	86.62%	
<b><u>FASB Accounting Liability</u></b>			
Accrued Benefit Liability	\$ 2,115,027,265	\$ 2,198,828,548	4.0%
Market Value of Assets	1,958,546,184	2,115,927,011	8.0%
Unfunded Accrued Benefit Liability	\$ 156,481,081	\$ 82,901,537	
Accrued Benefit Funding Ratio	92.60%	96.23%	
<b><u>Aggregate Contribution Rates</u></b>			
	<b><u>FY 2014</u></b>	<b><u>FY 2015</u></b>	
Normal Cost Rate	10.78%	8.60%	
Pooled UAL Rate	7.15%	7.89%	
Total Calculated Rate	17.93%	16.49%	
Corridor Contribution Rate	7.00%	8.00%	

\*Total members as of June 30, 2013 exclude 5,405 Inactive Non-Vested Members.

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS  
OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2013

SECTION I  
BOARD SUMMARY

<b>Table I-2</b>			
<b>Summary of Principal Results</b>			
<b>PLD Consolidated Retirement Plan</b>			
<b>Regular Plans, AC, AN &amp; BC</b>			
<b>Valuation as of:</b>	<b>June 30, 2012</b>	<b>June 30, 2013</b>	<b>% Change</b>
<b><u>Participant Counts</u></b>			
Actives	8,354	8,604	3.0%
Retired Members	3,779	4,257	12.6%
Beneficiaries of Retired Members	1,230	1,279	4.0%
Survivors of Deceased Members	148	150	1.4%
Disabled Members	267	316	18.4%
Terminated Vested Members	<u>1,033</u>	<u>1,786</u>	72.9%
Total Membership*	14,811	16,392	10.7%
Annual Salaries of Active Members	\$ 337,429,512	\$ 316,783,140	(6.1%)
Annual Retirement Allowances for Retired Members, Beneficiaries, Survivors and Disabled Members	\$ 64,483,758	\$ 68,727,521	6.6%
<b><u>Assets and Liabilities</u></b>			
<b><u>Funding Liability</u></b>			
Actuarial Accrued Liability	\$ 1,394,509,311	\$ 1,484,558,356	6.5%
Actuarial Value of Assets	<u>1,211,245,204</u>	<u>1,286,004,566</u>	6.2%
Unfunded Actuarial Liability	\$ 183,264,107	\$ 198,553,790	8.3%
Unpooled Portion (IUUAL)	<u>3,745,286</u>	<u>3,057,175</u>	(18.4%)
Pooled Portion (PUAL)	\$ 179,518,821	\$ 195,496,614	8.9%
Actuarial Liability Funding Ratio	86.86%	86.63%	
<b><u>FASB Accounting Liability</u></b>			
Accrued Benefit Liability	\$ 1,243,456,209	\$ 1,325,575,596	6.6%
Market Value of Assets	<u>1,153,024,646</u>	<u>1,273,897,791</u>	10.5%
Unfunded Accrued Benefit Liability	\$ 90,431,563	\$ 51,677,805	
Accrued Benefit Funding Ratio	92.73%	96.10%	
<b><u>Aggregate Contribution Rates</u></b>			
	<b><u>FY 2014</u></b>	<b><u>FY 2015</u></b>	
Normal Cost Rate	10.67%	8.69%	
Pooled UAL Rate	<u>5.93%</u>	<u>6.88%</u>	
Total Calculated Rate	16.60%	15.57%	
Corridor Contribution Rate	6.28%	7.53%	

\*Total members as of June 30, 2013 exclude 5,125 Inactive Non-Vested Members.

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS  
OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2013

SECTION I  
BOARD SUMMARY

<b>Table I-3</b>			
<b>Summary of Principal Results</b>			
<b>PLD Consolidated Retirement Plan</b>			
<b>Special Plans 1C-4C &amp; 1N-4N</b>			
<b>Valuation as of:</b>	<b>June 30, 2012</b>	<b>June 30, 2013</b>	<b>% Change</b>
<b><u>Participant Counts</u></b>			
Actives	2,418	2,508	3.7%
Retired Members	1,402	1,402	0.0%
Beneficiaries of Retired Members	596	604	1.3%
Survivors of Deceased Members	18	24	33.3%
Disabled Members	80	90	12.5%
Terminated Vested Members	178	231	29.8%
Total Membership*	4,692	4,859	3.6%
Annual Salaries of Active Members	\$ 137,398,750	\$ 141,641,624	3.1%
Annual Retirement Allowances for Retired Members, Beneficiaries, Survivors and Disabled Members	\$ 45,746,924	\$ 47,811,875	4.5%
<b><u>Assets and Liabilities</u></b>			
<b><u>Funding Liability</u></b>			
Actuarial Accrued Liability	\$ 974,317,848	\$ 981,376,388	0.7%
Actuarial Value of Assets	846,195,352	850,031,632	0.5%
Unfunded Actuarial Liability	\$ 128,122,496	\$ 131,344,756	2.5%
Unpooled Portion (IUUAL)	3,115,110	2,745,754	(11.9%)
Pooled Portion (PUAL)	\$ 125,007,386	\$ 128,599,003	2.9%
Actuarial Liability Funding Ratio	86.85%	86.62%	
<b><u>FASB Accounting Liability</u></b>			
Accrued Benefit Liability	\$ 871,571,056	\$ 873,252,952	0.2%
Market Value of Assets	805,521,536	842,029,219	4.5%
Unfunded Accrued Benefit Liability	\$ 66,049,520	\$ 31,223,733	
Accrued Benefit Funding Ratio	92.42%	96.42%	
<b><u>Aggregate Contribution Rates</u></b>			
	<b><u>FY 2014</u></b>	<b><u>FY 2015</u></b>	
Normal Cost Rate	11.03%	8.41%	
Pooled UAL Rate	10.15%	10.13%	
Total Calculated Rate	21.18%	18.54%	
Corridor Contribution Rate	8.82%	9.28%	

\*Total members as of June 30, 2013 exclude 280 Inactive Non-Vested Members.

**CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS  
OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2013**

**SECTION II  
ASSETS**

Pension program assets play a key role in the financial operation of the Program and in the decisions the Trustees make with respect to future deployment of those assets. The level of assets, the allocation of assets among asset classes, and the methodology used to measure assets will likely impact benefit levels, State contributions, and the ultimate security of participants' benefits.

The assets of the Program include amounts contributed for all programs for which the System is the Plan Sponsor, namely, the State Employee and Teacher Retirement Program, the Judicial Retirement Program, the Legislative Retirement Program, the Participating Local District Retirement Program, which includes the Consolidated Plan for Participating Local Districts (PLDs), along with several plans of PLDs who withdrew from the System, as the assets of all these programs are co-mingled for investment purposes. In performing the annual valuation, the actuarial value of assets that is developed reflects all defined benefit plan assets, and subsequently it is allocated across all of the defined benefit plans included in the programs administered by MainePERS.

In this section, we present detailed information on program assets including:

- **Disclosure** of assets at June 30, 2012 and June 30, 2013
- Statement of the **changes** in market values during the year;
- Development of the **actuarial value of assets**;
- **Allocation** of actuarial value to subplans;
- Assessment of **investment performance**; and
- Projection of expected **cash flows** for the next ten years.

### **Disclosure**

The market value of assets represents a “snap-shot” or “cash-out” value which provides the principal basis for measuring financial performance from one year to the next. Market values, however, can fluctuate widely with corresponding swings in the marketplace. Because these fluctuations would result in volatility in the resulting contributions if the market value were used, unadjusted, in the valuation process, an actuarial value is developed.

The actuarial values are market values which have been smoothed and are used for evaluating the Program's ongoing liability to meet its obligations.

Current actuarial methods employed in this Program set the actuarial value equal to the expected value plus one-third of the difference between the actual market value of assets and the expected value of assets. The expected value of assets takes the prior year's actuarial value of assets and adjusts it for contributions, benefit payments, and expected interest earnings at the assumed 7.25% rate.

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS  
OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2013

**SECTION II  
ASSETS**

<b>Table II-1</b>		
<b>Changes in Market Value of Total Defined Benefit Plan Assets (All Programs)</b>		
<b>Value of Assets – June 30, 2012</b>		<b>\$ 10,544,032,959</b>
<b><u>Additions</u></b>		
Contributions:		
Employer Contributions	\$ 291,502,625	
Employee Contributions	153,536,500	
Transfer	<u>(5,354)</u>	
Total Contributions		\$ 445,033,771
Investment Income:		
Net Appreciation (Depreciation) in Fair Value of Investments	\$ 1,192,036,185	
Interest on Bank Balances	<u>91,382</u>	
Total Investment Income		\$ 1,192,127,567
Investment Activity Expenses:		
Management Fees	\$ (29,220,787)	
Investment Related Expense	(1,991,759)	
Banking Fees	<u>(30,951)</u>	
Total Investment Activity Expenses		\$ (31,243,497)
Net Income from Investing Activities		\$ 1,160,884,070
Total Additions		\$ 1,605,917,841
<b><u>Deductions</u></b>		
Retirement Benefits	\$ (714,662,842)	
Disability Benefits	(37,020,970)	
Survivor Benefits	(20,515,684)	
Refunds and Other Expenses	<u>(33,569,727)</u>	
Total Deductions		\$ (805,769,223)
<b><u>Total</u></b>		
Net Increase (Decrease)		\$ 800,148,618
<b>Value of Assets – June 30, 2013</b>		<b>\$ 11,344,181,577</b>

**CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS  
OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2013**

**SECTION II  
ASSETS**

<b>Table II-2 Development of Actuarial Value of Assets (All Programs) as of June 30, 2013</b>		
1.	Actuarial Value of Assets at June 30, 2012	\$ 11,076,440,890
2.	Amount in (1) with Interest to June 30, 2013	11,879,482,855
3.	Employer and Member Contributions for the Plan Year Ended June 30, 2013	445,033,771
4.	Interest on Contributions Assuming Received Uniformly Throughout the Year to June 30, 2013	15,850,215
5.	Disbursements from Trust Except Investment Expenses, July 1, 2012 through June 30, 2013	(805,769,222)
6.	Interest on Disbursements Assuming Payments Made Uniformly throughout the Year to June 30, 2013	<u>(28,698,082)</u>
7.	Expected Value of Assets at June 30, 2013 = (2) + (3) + (4) + (5) + (6)	\$ 11,505,899,537
8.	Actual Market Value of Assets at June 30, 2013	11,344,181,577
9.	Excess of (8) Over (7)	<u>(161,717,960)</u>
10.	Actuarial Value of Assets at June 30, 2013 = (7) + 33⅓% of (9)	\$ 11,451,993,550

**Actuarial Value of Assets**

The actuarial value of assets represents a “smoothed” value developed by the actuary to reduce, or eliminate, volatile contribution rates which could develop from short-term fluctuations in the market value of assets. For this Program, the actuarial value has been calculated by adding one-third of the difference between actual market value and expected value, to the expected value. The previous table illustrates the calculation of actuarial value of assets for the June 30, 2013 valuation.

**Allocation of Actuarial Value of Assets**

The assets for all of the defined benefit plans in the programs administered by MainePERS are commingled for investment purposes. The actuarial smoothing methodology is applied on the market value of total assets. This produces an asset ratio which is then applied to the market value of assets attributable to each of the programs. The asset ratio derived in this valuation is 1.00950 (\$11,451,993,550 ÷ \$11,344,181,577). The allocation of actuarial value of assets to each of the System’s retirement programs is shown in the following chart.

**CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS  
OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2013**

**SECTION II  
ASSETS**

<b>Table II-3 Allocation of Actuarial Value of Assets as of June 30, 2013</b>		
	<b>Market Value</b>	<b>Actuarial Value</b>
Teachers	\$ 6,040,601,227	\$ 6,098,009,434
State (Regular & Special)	3,050,746,737	3,079,740,193
Judges	50,574,604	51,055,251
Legislators	9,679,959	9,771,955
Participating Local Districts (Consolidated & Non-Consolidated)	<u>2,192,579,050</u>	<u>2,213,416,717</u>
<b>Total Fund</b>	<b>\$ 11,344,181,577</b>	<b>\$ 11,451,993,550</b>

**Investment Performance**

The market value of assets returned a positive 11.2% during FY 2013. This is higher than the assumed return of 7.25%. The returns in FY 2012 and FY 2011 were positive 0.50% and positive 22.11%, respectively.

On an actuarial value of assets basis, the return for FY 2013 was a positive 6.76%. This return is lower than the return on a market value basis and does not meet the 7.25% assumption; therefore, this return gives rise to an investment loss this year.

**CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS  
OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2013**

**SECTION II  
ASSETS**

<b>Table II-4 Projection of Plan's Benefit Payments and Contributions</b>				
<b>FY Ending June 30,</b>	<b>Expected Benefit Payments</b>	<b>Expected PLD Contributions (based on Corridor Method) Includes IUUAL Payments</b>	<b>Expected Member Contributions</b>	<b>Total Expected Contributions</b>
2014	\$ 127,017,000	\$ 34,101,000	\$ 29,018,000	\$ 63,119,000
2015	137,117,000	40,060,000	32,406,000	72,466,000
2016	146,110,000	46,408,000	35,996,000	82,404,000
2017	155,100,000	51,693,000	39,797,000	91,490,000
2018	164,101,000	55,803,000	41,190,000	96,993,000
2019	173,197,000	60,801,000	42,632,000	103,433,000
2020	181,913,000	65,529,000	44,124,000	109,653,000
2021	190,236,000	70,295,000	45,668,000	115,963,000
2022	198,660,000	74,623,000	47,266,000	121,889,000
2023	206,986,000	79,029,000	48,921,000	127,950,000

We provide this projection of cashflows in and out of the Plan for informational purposes. The Board may share these projections with its investment advisor for consideration of the growing gap between cash coming in from PLD and member contributions and cash being paid out to provide benefits. The chart shows this gap is expected to widen as more of the baby boom generation joins the retiree payroll.

The expected benefit payments were developed on the basis of those currently included in this valuation and on the assumption that the actuarial assumptions disclosed in Appendix D will be exactly met. Actual benefit payments will vary if members retire sooner or later than assumed and if salary increases and actual future post-retirement COLAs differ from those assumed. The projections exclude any assumption about new plan participants, whose experience will eventually lead to increased benefit payments. However, we do not feel this exclusion will materially impact the projections for the time period shown.

Expected contributions are based on the current covered payroll and the anticipated aggregate PLD contribution rate developed using the corridor funding method. Future contribution increases as stored asset losses are picked up by the smoothing method. The contributions above include the Initial Unpooled Unfunded Actuarial Liability (IUUAL) being paid off by various PLDs. We have assumed that payroll will increase by 3.50% per year in the projection period.

The projection of member contributions is similarly based on a 3.50% per year increase in covered payroll multiplied by the average aggregate member contribution rate of 6.33% with increases of 0.5% in FY 15, 16 & 17.

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS  
OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2013

**SECTION III  
LIABILITIES**

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

- **Disclosure** of plan liabilities at June 30, 2012 and June 30, 2013; and
- Statement of **changes** in these liabilities during the year.

**Disclosure**

Several types of liabilities are calculated and presented in this report. Each type is distinguished by the purpose for which the figures are ultimately used.

- **Present Value of Future Benefits (PVB):** Used for analyzing the overall financial outlook of the Plan, this represents the amount of money needed today to fully pay off all future benefits of the Plan, assuming participants continue to accrue benefits under the current plan provisions.
- **Actuarial Liability:** Used for funding calculations and GASB disclosures, this liability is calculated taking the Present Value of Future Benefits above and subtracting the obligations that are assigned to future years. This offset is equal to the present value of future Member Contributions and future Employer Normal Costs under an acceptable actuarial funding method. This method is referred to as the **Entry Age Normal** funding method.
- **Present Value of Accrued Benefits:** Used for communicating the current level of liabilities, this liability represents the total amount of money needed today to fully pay off the current accrued obligations of the Plan, assuming no future accruals of benefits. These liabilities are also required for accounting purposes (FASB ASC Topic No. 960) and used to assess whether the Plan can meet its current benefit commitments.

The following table discloses each of these liabilities for the current and prior years' valuations. With respect to the Actuarial Liability and the Present Value of Accrued Benefits, a subtraction of the appropriate value of plan assets yields, for each respective type, a **net surplus** or an **unfunded liability**.

The Present Value of Benefits (PVB) is compared to the current market value of assets, the expected future value of member contributions and the expected future value of PLD contributions assuming the valuation rate remains constant. The difference between the PVB and these anticipated resources indicates either a shortfall or an expected surplus that may develop over time. This surplus/shortfall indicates the ability of the reduced aggregate contribution rate (7% in the 2012 valuation, increased to 8% in 2013) to fund benefits in the future.

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS  
OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2013

**SECTION III  
LIABILITIES**

**Table III-1  
Disclosure of Liabilities**

	June 30, 2012	June 30, 2013
<b>Present Value of Benefits (PVB)</b>		
Active Participant Benefits	\$ 1,655,859,743	\$ 1,572,859,416
Retiree Benefits	1,194,852,448	1,294,768,728
Terminated Vested and Inactive Members	<u>67,333,779</u>	<u>83,297,020</u>
<b>Total PVB</b>	<b>\$ 2,918,045,970</b>	<b>\$ 2,950,925,164</b>
Market Value of Assets (MVA)	\$ 1,958,546,184	\$ 2,115,927,011
Future Employee Contributions	220,588,399	215,598,447
Future PLD Contributions at 7% Fixed Rate '12; 8% in '13	233,615,859	271,341,836
Projected (Surplus)/Shortfall	<u>505,295,529</u>	<u>348,057,871</u>
<b>Total Resources</b>	<b>\$ 2,918,045,970</b>	<b>\$ 2,950,925,164</b>
<b>Actuarial Liability</b>		
Present Value of Benefits (PVB)	\$ 2,918,045,970	\$ 2,950,925,164
Present Value of Future Normal Costs (PVFNC)		
Employer Portion	328,630,412	269,391,973
Employee Portion	<u>220,588,399</u>	<u>215,598,447</u>
<b>Actuarial Liability (AL = PVB – PVFNC)</b>	<b>\$ 2,368,827,159</b>	<b>\$ 2,465,934,744</b>
Actuarial Value of Assets (AVA)	<u>2,057,440,556</u>	<u>2,136,036,197</u>
<b>Net (Surplus)/Unfunded (AL – AVA)</b>	<b>\$ 311,386,603</b>	<b>\$ 329,898,546</b>
<b>Present Value of Accrued Benefits</b>		
Present Value of Benefits (PVB)	\$ 2,918,045,970	\$ 2,950,925,164
Present Value of Future Benefit Accruals (PVFBA)	<u>803,018,705</u>	<u>752,096,616</u>
<b>Accrued Liability (PVAB = PVB – PVFBA)</b>	<b>\$ 2,115,027,265</b>	<b>\$ 2,198,828,548</b>
Market Value of Assets (MVA)	<u>1,958,546,184</u>	<u>2,115,927,011</u>
<b>Net (Surplus)/Unfunded (PVAB – MVA)</b>	<b>\$ 156,481,081</b>	<b>\$ 82,901,537</b>

**CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS  
OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2013**

**SECTION III  
LIABILITIES**

**Changes in Liabilities**

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

- New plan participants since the last valuation
- Benefits accrued since the last valuation
- Plan amendments changing benefits
- Passage of time which adds interest to the prior liability
- Benefits paid to retirees since the last valuation
- Participants retiring, terminating, or dying at rates different than expected
- A change in actuarial or investment assumptions
- A change in the actuarial funding method

Unfunded liabilities will change because of all of the above, and also due to changes in plan assets resulting from:

- PLD contributions being different than expected
- Investment earnings being different than expected
- A change in the method used to measure Plan assets

In each valuation, we report on those elements of change which are of particular significance, potentially affecting the long-term financial outlook of the Plan. Below we present key changes in liabilities since the last valuation.

	<b>Table III-2 Present Value of Benefits</b>	<b>Actuarial Liability</b>	<b>Present Value of Accrued Benefits</b>
Liabilities 06/30/2012	\$ 2,918,045,970	\$ 2,368,827,159	\$ 2,115,027,265
Liabilities 06/30/2013	<u>2,950,925,164</u>	<u>2,465,934,744</u>	<u>2,198,828,548</u>
Liability Increase (Decrease)	\$ 32,879,194	\$ 97,107,585	\$ 83,801.283
Change Due to:			
Plan Amendment	\$ (94,751,129)	\$ (116,570,523)	\$ (101,430,881)
Data Change	20,626,678	64,545,886	27,187,767
Actuarial (Gain)/Loss	N/C	\$ 20,284,597	N/C
Benefits Accumulated and Other Sources	\$ 107,003,645	\$ 128,847,625	\$ 158,044,397

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS  
OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2013

**SECTION IV  
CONTRIBUTIONS**

**General Comments**

Under established procedures, employer contribution rates based on this June 30, 2013 Actuarial Valuation are used to determine Fiscal Year 2015 contributions. In this context, the term “employer contribution rate” means the percentage that is applied by each PLD to its active member payroll to determine the PLD’s actual employer contribution amount.

In addition to the applicable employer contribution rate, each individual PLD will make a dollar payment (or receive a dollar credit) based on its IUUAL to be added to (or subtracted from) the amount derived by applying the employer contribution rate to the participant payroll.

Employees are required to contribute to the Plans. Employee contribution rates are detailed in Appendix C.

**Description of Rate Components**

The Entry Age normal funding method was used to develop the employer contribution rates in this section. Under this funding method, as with most other actuarial funding methods, a total contribution rate is determined which consists of two elements: the normal cost rate and the pooled unfunded actuarial liability rate.

**Normal Cost Rate**

For each of the Regular and Special Plans in the Consolidated Plan, an individual entry age normal cost rate is determined for each active member. The normal cost is determined by the following steps. First, an individual normal cost rate is determined by taking the value, as of entry age into a plan, of each active member’s projected future benefits. Second, this value is then divided by the value, also at entry age, of the member’s expected future salary. Finally, the rate is reduced by the member contribution rate to produce the employer normal contribution rate.

**Pooled Unfunded Actuarial Liability Rate**

The unfunded actuarial liability under the Entry Age Normal method equals the present value, at time of valuation, of future benefits less the present value of future normal costs, future member contributions, future IUUAL payments and current assets. Under the Consolidated Plan, a Pooled Unfunded Actuarial Liability Rate is calculated for the Regular Plans as a group and for the Special Plans as a group. The rate for each group is then allocated to each plan within the Regular Plans and to those within the Special Plans, respectively, on the basis of total normal cost plus employee contributions for each such plan. That is, those plans which constitute a larger portion of the overall liability will pay a larger portion of the pooled UAL rate or receive a larger credit if the rate is negative. The pooled UAL rates are calculated for the Regular and Special Plans in the aggregate in Table IV-1.

**CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS  
OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2013**

**SECTION IV  
CONTRIBUTIONS**

**IUUAL Payments/(Credits)**

In addition to employer contributions required under the Consolidated Plan, each individual PLD in the Consolidated Plan that came into the Plan with liabilities in excess of assets will make payments on its IUUAL until it is fully paid off. Where IUUAL payments are due, each PLD makes payment of a specific dollar amount. Where a PLD had, at the time of entry into the Consolidated Plan, surplus assets, the PLD uses a portion of the surplus toward payment of its employer contributions to the Consolidated Plan. Credit transactions, also of specific dollar amounts, are accomplished by MainePERS accounting entries.

**Employer Contribution Rate Summary**

In Table IV-2, we develop the aggregate contribution rate by Regular and Special plans, using the cost methods described above. These were developed using the actuarial assumptions and methods described in Appendix D.

In Table IV-3, we present employer contribution rates applicable for determining the Fiscal Year 2014 contributions to the Plan.

**CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS  
OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2013**

**SECTION IV  
CONTRIBUTIONS**

<b>Table IV-1</b>			
<b>Consolidated Plan for Participating Local Districts of the Maine Public Employees Retirement System June 30, 2013</b>			
<b>Development of Pooled UAL Rate</b>			
	<b>Regular Plans</b>	<b>Special Plans</b>	<b>Total</b>
1. Present Value of Benefits	\$ 1,789,518,587	\$ 1,161,406,577	\$ 2,950,925,164
2. Present Value of Future Contributions			
a. Employer Normal Cost	169,121,514	100,270,459	269,391,973
b. Employee Contributions	<u>135,838,717</u>	<u>79,759,730</u>	<u>215,598,447</u>
3. Actuarial Accrued Liability (1) – (2)	\$ 1,484,558,356	\$ 981,376,388	\$ 2,465,934,744
4. Actuarial Value of Assets			
a. Total Invested Assets	\$ 1,316,867,899	\$ 861,384,918	\$ 2,178,252,817
b. IUUAL Surpluses in Individual PLD Accounts	<u>30,863,333</u>	<u>11,353,286</u>	<u>42,216,619</u>
c. Valuation Assets (a) – (b)	\$ 1,286,004,566	\$ 850,031,632	\$ 2,136,036,198
5. Unfunded Actuarial Accrued Liability			
a. Total Unfunded Liability (3) – (4c)	\$ 198,553,790	\$ 131,344,756	\$ 329,898,546
b. Individual PLD Unpooled Liability (IUUAL)	<u>3,057,175</u>	<u>2,745,754</u>	<u>5,802,929</u>
c. Pooled Unfunded Actuarial Liability (a) – (b)	\$ 195,496,615	\$ 128,599,002	\$ 324,095,617
6. Amortization over 15 Years	\$ 21,804,647	\$ 14,343,245	\$ 36,147,891
7. Payroll	\$ 316,783,140	\$ 141,641,624	\$ 458,424,764
8. Pooled Unfunded Actuarial Liability Contribution Rate	6.88%	10.13%	7.89%

<b>Table IV-2</b>			
<b>Development of Aggregate Contribution Rates</b>			
	<b>Regular Plans</b>	<b>Special Plans</b>	<b>Total</b>
Normal Cost Rate	8.69%	8.41%	8.60%
Pooled UAL Rate	<u>6.88%</u>	<u>10.13%</u>	<u>7.89%</u>
Total Calculated Rate	15.57%	18.54%	16.49%
Corridor Contribution Rate	7.53%	9.28%	8.00%

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS  
OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2013

SECTION IV  
CONTRIBUTIONS

<b>Table IV-3</b>		
<b>Consolidated Plan for Participating Local Districts of the Maine Public Employees Retirement System Employer Contribution Rates*</b>		
<b>Fiscal Year 2015</b>		
	<b>Normal Cost**</b>	<b>Actual Rates For FY 2015</b>
<b><u>Plans with COLA</u></b>		
Regular Employees Plan AC	8.8%	7.8%
Regular Employees Plan BC	7.2%	4.7%
Special Plan 1C	12.6%	13.4%
Special Plan 2C	7.7%	8.3%
Special Plan 3C	9.1%	11.0%
Special Plan 4C	5.9%	7.2%
<b><u>Plans with No COLA</u></b>		
Regular Employees Plan AN	6.8%	4.1%
Special Plan 1N	8.8%	7.5%
Special Plan 2N	4.9%	4.4%
Special Plan 3N	6.0%	6.1%
Special Plan 4N	2.9%	4.0%

\* IUUAL payments are made in addition to these costs and IUUAL credits are taken against these costs.

\*\* Includes costs of ancillary benefits.

**CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS  
OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2013**

**SECTION V  
ACCOUNTING STATEMENT INFORMATION**

ASC Topic No. 960 of the Financial Accounting Standards Board (FASB) requires the Plan to disclose certain information regarding its funded status. Statement No. 25 of the Governmental Accounting Standards Board (GASB) establishes standards for disclosure of pension information by public employee retirement systems (PERS) and governmental employers in notes to financial statements and supplementary information.

The FASB ASC Topic No. 960 disclosures provide a quasi “snap shot” view of how the Plan’s assets compare to its liabilities if contributions stopped and accrued benefit claims had to be satisfied. However, due to potential legal requirements and the possibility that alternative interest rates would have to be used to determine the liabilities, these values may not be a good indication of the amount of money it would take to buy the benefits for all members if the Plan were to terminate.

The GASB-25 actuarial accrued liability is the same as the actuarial liability amount calculated for funding purposes.

Both the present value of accrued benefits (FASB ASC Topic No. 960) and the actuarial accrued liability (GASB-25) are determined assuming that the Plan is ongoing and participants continue to terminate employment, retire, etc., in accordance with the actuarial assumptions. Liabilities are discounted at the assumed valuation interest rate of 7.25% per annum.

FASB ASC Topic No. 960 specifies that a comparison of the present value of accrued (accumulated) benefits with the market value of the assets as of the valuation date must be provided. GASB Statement No. 25 requires the actuarial accrued liability be compared with the actuarial value of assets for funding purposes. The relevant amounts as of June 30, 2011 and June 30, 2012 are exhibited in Table V-1. Table V-2 reconciles the FASB ASC Topic No. 960 liabilities determined as of the prior valuation June 30, 2012, to the liabilities as of June 30, 2013.

Tables V-3 through V-5 are exhibits required for the System’s Comprehensive Annual Financial Report. The GFOA recommends showing six to ten years of experience in each of these exhibits. Table V-3 shows the Notes to Required Supplementary Information. Table V-4 is a history of gains and losses in Accrued Liability, and Table V-5 is the Solvency Test which shows the portion of Accrued Liability covered by Assets.

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS  
OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2013

**SECTION V**  
**ACCOUNTING STATEMENT INFORMATION**

<b>Table V-1</b>		
<b>Accounting Statement Information</b>		
	<b>June 30, 2012</b>	<b>June 30, 2013</b>
<b>A. FASB ASC Topic No. 960 Basis</b>		
1. Present Value of Benefits Accrued to Date		
a. Members Currently Receiving Payments	\$ 1,194,852,448	\$ 1,294,768,728
b. Vested Terminated and Inactive Members	67,333,779	83,297,020
c. Active Members	<u>852,841,038</u>	<u>820,762,800</u>
d. Total PVAB	\$ 2,115,027,265	\$ 2,198,828,548
2. Assets at Market Value	<u>1,958,546,184</u>	<u>2,115,927,011</u>
3. Unfunded Present Value of Accrued Benefits, But Not Less Than Zero	\$ 156,481,081	\$ 82,901,537
4. Ratio of Assets to Value of Benefits (2) / (1)(d)	92.60%	96.23%
<b>B. GASB No. 25 Basis</b>		
1. Actuarial Liabilities		
a. Members Currently Receiving Payments	\$ 1,194,852,448	\$ 1,294,768,728
b. Vested Deferred and Inactive Status Members	67,333,779	83,297,020
c. Active Members	<u>1,106,640,932</u>	<u>1,087,868,996</u>
d. Total	\$ 2,368,827,159	\$ 2,465,934,744
2. Actuarial Value of Assets	<u>2,057,440,556</u>	<u>2,136,036,197</u>
3. Unfunded Actuarial Liability	\$ 311,386,603	\$ 329,898,546
4. Ratio of Actuarial Value of Assets to Actuarial Liability	86.85%	86.62%

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS  
OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2013

SECTION V  
ACCOUNTING STATEMENT INFORMATION

<b>Table V-2</b>	
<b>Statement of Changes in Total Actuarial Present Value of All Accrued Benefits</b>	
	<b>Accumulated Benefit Obligation (FASB ASC Topic No. 960)</b>
Actuarial Present Value of Accrued Benefits as of June 30, 2012	\$ 2,115,027,265
Increase (Decrease) During Years Attributable to:	
Passage of Time	148,896,917
Benefits Paid – FY 2013	(122,553,386)
Data Change	27,187,767
Plan Amendment	(101,430,881)
Benefits Accrued, Other Gains/Losses	<u>131,700,866</u>
Net Increase (Decrease)	\$ 83,801,283
Actuarial Present Value of Accrued Benefits as of June 30, 2013	\$ 2,198,828,548

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS  
OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2013

**SECTION V**  
**ACCOUNTING STATEMENT INFORMATION**

**Table V-3**  
**Note to Required Supplementary Information**

The information presented in the required supplementary schedules was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation follows.

Valuation date	June 30, 2013
Actuarial cost method	Entry age
Amortization method	Level Dollar Open
Remaining amortization period for Pooled UAAL	15 years
Asset valuation method	3-Year smoothed market
Actuarial assumptions:	
Investment rate of return*	7.25%
Projected salary increases*	3.50% – 9.50%
*Includes inflation at	3.50%
Cost-of-living adjustments	3.12%

The actuarial assumptions used have been recommended by the actuary and adopted by the Plan’s Board of Trustees based on the most recent review of the Plan’s experience completed in 2011.

The rate of employer contributions to the Plan is composed of the normal cost and an amortization of the unfunded actuarial accrued liability. The normal cost is a level percent of payroll cost which, along with the member contributions, will pay for projected benefits at retirement for each individual participant. The actuarial accrued liability is that portion of the present value of projected benefits that will not be paid by future employer normal costs or member contributions. The difference between this liability and the funds accumulated as of the same date is the unfunded actuarial accrued liability.

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS  
OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2013

SECTION V  
ACCOUNTING STATEMENT INFORMATION

**Table V-4**  
**Analysis of Financial Experience**  
**Gain and Loss in Accrued Liability During Years Ended June 30**  
**Resulting from Differences Between Assumed Experience and Actual Experience**  
*Gain (or Loss) for Year ending June 30,*

<b>Type of Activity</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
Investment Income	\$ (34,263,890)	\$ (201,290,398)	\$ (126,894,734)	\$ (642,960)	\$ (40,860,595)	\$ (26,747,451)
Combined Liability Experience	<u>24,408,739</u>	<u>(14,959,821)</u>	<u>21,512,375</u>	<u>(2,603,019)</u>	<u>(45,091,413)</u>	<u>(20,284,597)</u>
Gain (or Loss) During Year from Financial Experience	\$ (9,855,151)	\$ (216,250,218)	\$ (105,382,359)	\$ (3,245,979)	\$ (85,952,008)	\$ (47,032,048)
Non-Recurring Items	<u>0</u>	<u>27,744,658</u>	<u>0</u>	<u>(48,704,140)</u>	<u>4,567,558</u>	<u>52,024,637</u>
Composite Gain (or Loss) During Year	<b>\$ (9,855,151)</b>	<b>\$ (188,505,560)</b>	<b>\$ (105,382,359)</b>	<b>\$ (51,950,119)</b>	<b>\$ (81,384,450)</b>	<b>\$ 4,992,589</b>

**CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS  
OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2013**

**SECTION V  
ACCOUNTING STATEMENT INFORMATION**

<b>Table V-5 Solvency Test Aggregate Accrued Liabilities For</b>							
<b>Valuation Date June 30,</b>	<b>(1) Active Member Contributions</b>	<b>(2) Retirees Vested Terms, Beneficiaries</b>	<b>(3) Active Members (Employer Financed Portion)</b>	<b>Reported Assets</b>	<b>Portion of Accrued Liabilities Covered by Reported Assets</b>		
					<b>(1)</b>	<b>(2)</b>	<b>(3)</b>
2013	\$ 412,338,332	\$ 1,378,065,748	\$ 675,530,664	\$2,136,036,197	100%	100%	51%
2012	398,868,129	1,262,186,227	707,772,803	2,057,440,556	100	100	56
2011	379,478,840	1,175,482,545	676,038,464	2,017,084,154	100	100	68
2010	347,801,024	1,083,097,662	654,598,374	1,936,558,888	100	100	77
2009	319,531,110	1,039,566,071	641,162,528	1,967,968,244	100	100	95
2008	294,627,592	990,913,007	628,335,716	2,069,378,042	100	100	125
2007	270,986,236	938,899,387	629,089,299	2,001,713,785	100	100	126
2006	239,876,523	884,015,065	596,238,152	1,846,304,483	100	100	121

**CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS  
OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2013**

**APPENDIX A  
PARTICIPATING LOCAL DISTRICT PLAN ELECTIONS**

PLD Name	PLD #	Regular Plan	Special Plan	Special Plan	COLA	Entry Date	FO COLA Date
Androscoggin County	0067	A <sup>1</sup>	1	2	Yes	7/1/1994	
Androscoggin Valley Council of Governments	0231	A			Yes	7/1/1996	
Aroostook County	0106	A			Yes	7/1/1994	
Auburn Housing Authority	0145	A			Yes	7/1/1994	
Auburn Lewiston Airport	0256	A			Yes	7/1/1996	
Auburn Public Library	0043	A			FO	7/1/1996	7/1/2001
Auburn Water and Sewer District	0052	A			Yes	7/1/1994	
Augusta, City of	0023	A	1	2	Yes	7/1/1994	
Baileyville, Town of	0069	A	3		Yes	7/1/1996	
Bangor Housing Authority	0288	A			Yes	7/1/1994	
Bangor Public Library	022	A			Yes	7/1/1996	
Bangor Water District	0059	B <sup>2</sup>			Yes	7/1/1996	
Bangor, City of	0020	A	1	2	Yes	7/1/1996	
Bar Harbor, Town of	0015	A	4		Yes	7/1/1995	
Bath Water District	0019	A			Yes	7/1/1994	
Bath, City of	0073	A	2	3	Yes	7/1/1996	
Belfast Water District	0132	A			Yes	7/1/1995	
Belfast, City of	0035	A	2		Yes	7/1/1996	
Berwick Sewer District	0207	A			Yes	7/1/1994	
Berwick, Town of	0108	A	1 <sup>3</sup>		FO	7/1/1996	7/1/2008
Bethel, Town of	0246	A			Yes	7/1/1996	
Biddeford, City of	0158	A	3 <sup>4</sup>		FO	7/1/2010	
Biddeford Housing Authority	0310	A			Yes	7/1/2007	
Boothbay Harbor, Town of	0146	A	2		Yes	7/1/1996	
Boothbay Region Water District	0298	A	2		Yes	1/1/2002	
Bowdoinham Water District	0319	A			Yes	1/1/2009	
Brewer Housing Authority	0248	A			Yes	7/1/1994	
Brewer, City of	0063	A <sup>5</sup>	2		Yes	7/1/1996	
Bridgton Water District	0253	A			No	7/1/1996	
Brownville, Town of	0177	A			No	7/1/2010	

**CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS  
OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2013**

**APPENDIX A  
PARTICIPATING LOCAL DISTRICT PLAN ELECTIONS**

PLD Name	PLD #	Regular Plan	Special Plan	Special Plan	COLA	Entry Date	FO COLA Date
Brunswick Fire and Police	0292	A	1 <sup>6</sup>	1 <sup>6</sup>	FO	7/1/1997	7/1/1997
Brunswick Public Library	0273	A			FO	7/1/1995	7/1/1995
Brunswick Sewer District	0072	A			Yes	7/1/1996	
Brunswick, Town of	0042	A			FO	7/1/1995	7/1/2000
Buckfield, Town of	0344	A			No	1/1/2013	
Bucksport, Town of	0130	A	4 <sup>7</sup>		No	7/1/1995	
Calais, City of	0036	A			FO	7/1/1996	7/1/1996
Camden, Town of	0008	A			Yes	7/1/1994	
Cape Elizabeth Police	0317	A	2		Yes	7/1/2008	
Caribou Police and Fire	0208	A	1	2	No	7/1/1996	
Carrabassett Valley	0277	A			FO	7/1/1994	7/1/1994
Chesterville, Town of	0295	A <sup>8</sup>			Yes	7/1/1999	
Cheverus High School	0203	A	2		No	7/1/1996	
China, Town of	0235	A			FO	7/1/1996	7/1/2008
Coastal Counties Workforce, Inc.	0301	A <sup>9</sup>			Yes	7/1/2003	
Community School District #12	0252	A			Yes	7/1/1996	
Corinna Sewer District	0251	A			No	7/1/1996	
Corinna, Town of	0217	A			Yes	7/1/1996	
Cumberland County	0005	A	2 <sup>10</sup>		Yes	7/1/1996	
Cumberland, Town of	0216	A	2		Yes	7/1/1995	
Damariscotta, Town of	0191	A			Yes	7/1/2011	
Dexter, Town of	0097	A			Yes	7/1/1996	
Dover - Foxcroft Water District	0137	A			Yes	7/1/1994	
Dover Foxcroft, Town of	0167	A			No	7/1/1995	
Durham, Town of	0234	A			No	7/1/1996	
Eagle Lake Water & Sewer District	0274	A			Yes	7/1/1996	
East Millinocket, Town of	0054	A	2		Yes	7/1/1996	
Easton, Town of	0240	A			Yes	7/1/1994	
Eliot, Town of	0180	A	1 <sup>11</sup>		Yes	7/1/1994	
Ellsworth, City of	0013	A	4		Yes	7/1/1995	

**CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS  
OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2013**

**APPENDIX A  
PARTICIPATING LOCAL DISTRICT PLAN ELECTIONS**

PLD Name	PLD #	Regular Plan	Special Plan	Special Plan	COLA	Entry Date	FO COLA Date
Erskine Academy	0249	A			No	7/1/1994	
Fairfield, Town of	0260	A	3		Yes	7/1/1995	
Falmouth Memorial Library	0058	A			Yes	7/1/1996	
Falmouth, Town of	0087	A	2 <sup>11</sup>		Yes	7/1/1996	
Farmington Village Corp.	0118	A			No	7/1/1994	
Farmington, Town of	0100	A	1		Yes	7/1/1995	
Fayette, Town of	0296	A			Yes	7/1/1999	
Fort Fairfield Housing Authority	0275	A			FO	7/1/2002	7/1/1994
Fort Fairfield Utilities District	0131	A			Yes	7/1/1996	
Fort Fairfield, Town of	0017	A			Yes	7/1/2000	
Franklin County	0102	A			Yes	7/1/2006	
Freeport, Town of	0142	A	2 <sup>9</sup>		Yes	7/1/2003	
Frenchville, Town of	0098	A			No	7/1/1996	
Fryeburg, Town of	0149	A			No	1/1/2011	
Gardiner Water District	0221	A			No	7/1/1994	
Gardiner, City of	0024	A	3		FO	7/1/1996	7/1/2009
Glenburn, Town of	0174	A			Yes	7/1/1994	
Gorham Fire and Police	0334	A	3		Yes	7/1/2009	
Gorham, Town of	0133	A			Yes	7/1/1996	
Gould Academy	0205	A			No	7/1/1996	
Grand Isle, Town of	0312	B			Yes	7/1/2008	
Greater Augusta Utility District <sup>12</sup>	0311	A			Yes	1/1/2008	
Greenville, Town of	0112	A			Yes	7/1/1996	
Hallowell, City of	0160	A			Yes	7/1/1996	
Hampden Water District	0183	A			Yes	7/1/1996	
Hampden, Town of	0151	A	3 <sup>13</sup>		FO	7/1/1996	7/1/2009
Hancock County	0056	A			Yes	7/1/1994	
Harpswell, Town of	0270	A			Yes	7/1/1994	
Harrison, Town of	0280	B <sup>14</sup>			Yes	7/1/1994	
Hermon, Town of	0150	A			No	7/1/1996	

**CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS  
OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2013**

**APPENDIX A  
PARTICIPATING LOCAL DISTRICT PLAN ELECTIONS**

PLD Name	PLD #	Regular Plan	Special Plan	Special Plan	COLA	Entry Date	FO COLA Date
Hodgdon, Town of	0215	A			FO	7/1/1996	7/1/2007
Holden, Town of	0338	A	4		Yes	7/1/2011	
Houlton Water District	0026	A			Yes	7/1/1995	
Houlton, Town of	0010	A	4 <sup>7</sup>		Yes	7/1/1996	
Indian Township Tribal Gov't <sup>15</sup>	0244	A			No	7/1/1996	
Jackman Utility District	0294	A			Yes	7/1/1996	
Jay, Town of	0045	A	2 <sup>5</sup>		Yes	7/1/1994	
Kennebec County	0047	A			Yes	7/1/1995	
Kennebec Sanitary Treatment District	0220	A			FO	7/1/1995	7/1/1995
Kennebec Water District	0031	A			Yes	7/1/1996	
Kennebunk Light and Power Co.	0062	A			Yes	7/1/1994	
Kennebunk Sewer District	0201	A			FO	7/1/1994	7/1/2000
Kennebunk, Kennebunkport & Wells Water District	0255	A			FO	7/1/1996	7/1/1999
Kennebunk, Town of	0084	A	2 <sup>16</sup>		Yes	7/1/1996	
Kennebunkport, Town of	0188	A	1		FO	7/1/1996	7/1/2006
Kittery Water District	0012	A			Yes	7/1/1994	
Kittery, Town of	0014	A	1 <sup>17</sup>		Yes	7/1/1995	
Lebanon, Town of	0181	A			Yes	7/1/1996	
Lew Aub Water Pollution Control Authority	0163	A			FO	7/1/1996	7/1/1996
Lewiston - Auburn 9-1-1	0291	A			Yes	7/1/1994	
Lewiston Housing Authority	0154	A			Yes	7/1/1994	
Lewiston, City of	0048	A	1	2	Yes	7/1/1996	
Levant, Town of	0339	A			Yes	7/1/2011	
Limestone, Town of	0245	A			Yes	7/1/2006	
Lincoln & Sagadahoc Multi County Jail Authority	0304	A	2		Yes	7/1/2004	
Lincoln Academy	0134	A			Yes	7/1/1994	
Lincoln County	0095	A			Yes	7/1/2004	
Lincoln County Sheriffs	0302	A	2 <sup>9</sup>		Yes	7/1/2003	
Lincoln Sanitary District	0219	A			Yes	7/1/1994	
Lincoln Water District	0092	A			Yes	7/1/1995	

**CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS  
OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2013**

**APPENDIX A  
PARTICIPATING LOCAL DISTRICT PLAN ELECTIONS**

PLD Name	PLD #	Regular Plan	Special Plan	Special Plan	COLA	Entry Date	FO COLA Date
Lincoln, Town of	0076	A	3		No	7/1/1996	
Linneus, Town of	0214	A			No	7/1/1996	
Lisbon Water Department	0243	A			FO	7/1/1996	7/1/2007
Lisbon, Town of	0103	A	2		Yes	7/1/1996	
Livermore Falls Water District	0032	A			Yes	7/1/1994	
Livermore Falls, Town of	0109	A			No	7/1/1996	
Lovell, Town of	0276	A			Yes	7/1/1996	
Lubec Water and Electric District	0088	A			Yes	7/1/1996	
Lubec, Town of	0228	A			No	7/1/1996	
Madawaska Water District	0236	A			Yes	7/1/1994	
Madawaska, Town of	0082	A			Yes	7/1/1996	
MADSEC	0297	A			Yes	7/1/1999	
Maine County Commissioners Assoc.	0225	A			No	7/1/1996	
Maine International Trade Center	0293	A			Yes	7/1/1998	
Maine Maritime Academy	0038	A	2		Yes	7/1/1996	
Maine Municipal Association	0055	A			Yes	7/1/2009	
Maine Municipal Bond Bank	0093	A			Yes	7/1/1995	
Maine Public Employees Retirement System	0290	A			Yes	7/1/1994	
Maine School Management Association	0239	A			Yes	7/1/1994	
Maine State Housing Authority	0169	A			Yes	7/1/2005	
Maine Turnpike Authority	0049	A			Yes	7/1/1994	
Maine Veterans Home	0271	A			Yes	7/1/1994	
Mapleton, Castle Hill and Chapman, Town of	0265	A			Yes	7/1/1996	
Mars Hill Utility District	0283	A			Yes	7/1/1994	
Mars Hill, Town of	0227	A			Yes	7/1/1996	
ME Secondary School Principals Association	0105	A			Yes	7/1/1994	
Mechanic Falls Sanitary District	0282	A			FO	7/1/1994	7/1/2002
Mechanic Falls, Town of	0114	A			Yes	7/1/1994	
Medway, Town of	0194	A			Yes	7/1/1996	
Mexico, Town of	0074	A <sup>18</sup>			Yes	7/1/1996	

**CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS  
OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2013**

**APPENDIX A  
PARTICIPATING LOCAL DISTRICT PLAN ELECTIONS**

<b>PLD Name</b>	<b>PLD #</b>	<b>Regular Plan</b>	<b>Special Plan</b>	<b>Special Plan</b>	<b>COLA</b>	<b>Entry Date</b>	<b>FO COLA Date</b>
Midcoast Council of Governments	0343	A			Yes	7/1/2012	
Milford, Town of	0186	A			No	7/1/1996	
Millinocket, Town of	0003	A	3	4	Yes	7/1/1996	
Milo Water District	0238	A			No	7/1/1996	
Monmouth, Town of	0316	A	3		Yes	7/1/2008	
Monson, Town of	0184	A			No	7/1/1996	
Mount Desert Island Reg. School District	0120	A			Yes	7/1/1996	
Mount Desert Water District	0300	A <sup>9</sup>			Yes	7/1/2003	
Mount Desert, Town of	0016	A			Yes	7/1/1996	
New Gloucester, Town of	0210	A			FO	7/1/1995	7/1/2007
Newport, Town of	0314	A	2		Yes	7/1/2008	
Newport Water District	0313	A			Yes	7/1/2008	
North Berwick, Town of	0254	A	1		No	7/1/1996	
North Berwick Water District	0308	A			Yes	7/1/2006	
Norway Water District	0136	A			FO	7/1/1995	7/1/2000
Norway, Town of	0125	A			FO	7/1/1996	7/1/2000
Old Orchard Beach, Town of	0140	A	2	3/1 <sup>19</sup>	Yes	7/1/2003	
Old Town Housing Authority	0262	A			FO	7/1/1994	7/1/1994
Old Town Water District	0079	A			No	7/1/1994	
Old Town, City of	0111	A	2		No	7/1/1995	
Oqunquit, Town of	0303	A	1		Yes	7/1/2004	
Orland, Town of	0166	A			No	7/1/1996	
Orono, Town of	0061	A	2 <sup>20</sup>		FO	7/1/1996	7/1/2002
Orrington, Town of	0209	A	3		No	7/1/1995	
Otisfield, Town of	0193	A			FO	7/1/1996	7/1/1996
Oxford County	0057	A	2 <sup>4</sup>		Yes	7/1/1994	
Oxford, Town of	0200	A			No	7/1/1996	
Paris Utility District	0159	A			Yes	7/1/1995	
Paris, Town of	0127	A			Yes	7/1/1996	
Penobscot County	0011	A			Yes	7/1/1994	

**CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS  
OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2013**

**APPENDIX A  
PARTICIPATING LOCAL DISTRICT PLAN ELECTIONS**

PLD Name	PLD #	Regular Plan	Special Plan	Special Plan	COLA	Entry Date	FO COLA Date
Penquis Cap Inc	0237	A			No	7/1/1995	
Phippsburg, Town of	0202	A	3 <sup>21</sup>		Yes	7/1/1996	
Piscataquis County	0121	A			Yes	7/1/1994	
Pittsfield, Town of	0110	A			No	7/1/1996	
Pleasant Point Passamaquoddy	0165	A			Yes	7/1/1996	
Poland, Town of	0336	A	1		No	7/1/2010	
Portland Housing Authority	0185	A			Yes	7/1/1994	
Portland Public Library	0041	A			Yes	7/1/1995	
Portland, City of	0002	A	1	2	Yes	7/1/1995	
Princeton, Town of	0258	A			No	7/1/1996	
Regional School Unit #1	0315	A	2		Yes	7/1/2008	
Regional School Unit #2	0323	A			FO	7/1/2009	7/1/2009
Regional School Unit #4	0324	A			Yes	7/1/2009	
Regional School Unit #5	0325	A			Yes	7/1/2009	
Regional School Unit #10	0326	A			Yes	7/1/2009	
Regional School Unit #16	0327	A			Yes	7/1/2009	
Regional School Unit #20	0328	A			Yes	7/1/2009	
Regional School Unit #21	0322	A			FO	7/1/2009	7/1/2009
Regional School Unit #23	0329	A			Yes	7/1/2009	
Regional School Unit #24	0320	A			Yes	7/1/2009	
Regional School Unit #25	0321	A			No	7/1/2009	
Regional School Unit #26	0330	A			Yes	7/1/2009	
Regional School Unit #34	0331	A			No	7/1/2009	
Regional School Unit #39	0332	A			Yes	7/1/2009	
Regional School Unit #73	0340	A			Yes	7/1/2011	
Richmond, Town of	0213	A			Yes	7/1/2007	
Richmond Utilities District	0242	A			No	7/1/1994	
Rockland, City of	0018	A	3 <sup>22</sup>	2 <sup>23</sup>	Yes	7/1/1995	
Rockport, Town of	0161	A			No	7/1/1996	
Rumford Fire and Police	0060	A	3	4	Yes	7/1/1995	

**CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS  
OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2013**

**APPENDIX A  
PARTICIPATING LOCAL DISTRICT PLAN ELECTIONS**

PLD Name	PLD #	Regular Plan	Special Plan	Special Plan	COLA	Entry Date	FO COLA Date
Rumford Mexico Sewerage District	0247	A			Yes	7/1/1996	
Rumford Water District	0065	A			Yes	7/1/1995	
Rumford, Town of	0090	A			Yes	7/1/1995	
Sabattus, Town of	0175	A			FO	7/1/1996	7/1/2006
Saco, City of	0192	A	2		No	7/1/1995	
Sagadahoc County	0096	A	2	3 <sup>24</sup>	Yes	7/1/2002	
Sanford Housing Authority	0152	A			Yes	7/1/1996	
Sanford Sewerage District	0089	A			FO	7/1/1994	1/1/2009
Sanford Water District	0170	A			Yes	7/1/1996	7/1/2009
Sanford, Town of	0083	A	1 <sup>25</sup>		FO	7/1/1995	7/1/2002
Scarborough, Town of	0147	A	2	1 <sup>26</sup>	Yes	7/1/1996	
School Administrative District No. 9	0119	A			Yes	7/1/1995	
School Administrative District No. 13	0223	A			Yes	7/1/1996	
School Administrative District No. 29	0168	A			Yes	7/1/1996	
School Administrative District No. 31	0050	A			FO	7/1/1994	7/1/1994
School Administrative District No. 41	0143	A			Yes	7/1/1996	
School Administrative District No. 49	0189	A			No	7/1/1995	
School Administrative District No. 51	0198	A			No	7/1/1996	
School Administrative District No. 53	0129	A			No	7/1/1996	
School Administrative District No. 54	0115	A			Yes	7/1/1996	
School Administrative District No. 60	0187	A			No	7/1/1994	
School Administrative District No. 67	126	A			Yes	7/1/1996	
Searsport Water District	0124	A			No	7/1/1996	
Searsport, Town of	0117	A			No	7/1/1996	
Skowhegan, Town of	0080	A	3		Yes	7/1/1996	
So Portland Housing Authority	0206	A			Yes	7/1/1996	
Somerset County	0101	A			Yes	7/1/2005	
South Berwick Sewer District	0299	A <sup>9</sup>			Yes	7/1/2003	
South Berwick Water	0171	A	2		Yes	7/1/1996	
South Berwick, Town of	0141	A	1		FO	7/1/1996	7/1/1996

**CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS  
OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2013**

**APPENDIX A  
PARTICIPATING LOCAL DISTRICT PLAN ELECTIONS**

PLD Name	PLD #	Regular Plan	Special Plan	Special Plan	COLA	Entry Date	FO COLA Date
South Portland, City of	0009	A	3 <sup>27</sup>		Yes	7/1/1995	
St. Agatha, Town of	0030	A			Yes	7/1/1996	
Thomaston, Town of	0164	A	2		Yes	1/1/2010	
Thompson Free Library	0318	A			Yes	1/1/2009	
Topsham Sewer District	0307	A <sup>28</sup>			Yes	7/1/2005	
Topsham, Town of	0081	A	2	3	Yes	7/1/1996	
Trenton, Town of	0341	A			Yes	7/1/2011	
Tri Community Sanitary Landfill	0267	A			Yes	7/1/1996	
United Technologies Center, Region 4, S. Penobscot	0269	A			FO	7/1/1996	7/1/2009
Union, Town of	0342	A			No	7/1/2012	
Van Buren Housing Authority	0229	A			Yes	7/1/1995	
Van Buren, Town of	0182	A			Yes	7/1/1995	
Vassalboro, Town of	0153	A			Yes	7/1/1996	
Veazie Fire and Police	0305	A	3 <sup>29</sup>		Yes	7/1/2004	
Waldo County	0046	A	2		Yes	7/1/1994	
Waldo County Technical Center	0224	A			No	7/1/1996	
Waldoboro, Town of	0195	A	3		Yes	7/1/1995	
Washburn, Town of	0230	A			No	7/1/1994	
Washburn Water and Sewer District	0335	A			No	7/1/2009	
Washington County	0040	A			Yes	7/1/1996	
Waterville Fire and Police	0066	A	3		No	7/1/1996	
Waterville Sewerage District	0222	A			Yes	7/1/1994	
Wells Ogunquit CSD	0266	A			FO	7/1/1995	7/1/1995
Wells, Town of	0107	A	3		Yes	7/1/1995	
West Bath, Town of	0333	A			Yes	7/1/2009	
Westbrook, City of	0122	A			Yes	7/1/2006	
Westbrook Fire and Police	0070	A	1	3	Yes	7/1/2006	
Westbrook Housing Authority	0259	A			Yes	7/1/1996	
Wilton, Town of	0086	A	2		FO	1/1/2009	1/1/2009
Windham, Town of	0309	A	4	3	Yes	7/1/2006	

**CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS  
OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2013**

**APPENDIX A  
PARTICIPATING LOCAL DISTRICT PLAN ELECTIONS**

<b>PLD Name</b>	<b>PLD #</b>	<b>Regular Plan</b>	<b>Special Plan</b>	<b>Special Plan</b>	<b>COLA</b>	<b>Entry Date</b>	<b>FO COLA Date</b>
Winslow, Town of	0144	A <sup>30</sup>			Yes	7/1/1996	
Winter Harbor Utility District	0250	A			Yes	7/1/1995	
Winterport Water & Sewer Districts	0306	A <sup>28</sup>			Yes	7/1/2005	
Winthrop, Town of	0179	A			FO	7/1/1994	7/1/2003
Winthrop Utilities District	0337	A			Yes	1/1/2011	
Wiscasset, Town of	0417	A			No	1/1/2012	
Yarmouth Water District	0278	A			Yes	7/1/1994	
Yarmouth, Town of	0116	A	1 <sup>31</sup>		Yes	7/1/1996	
York County	0037	A	2	1 <sup>32</sup>	Yes	7/1/1996	
York Sewer District	0139	A			FO	7/1/1994	7/1/2006
York Water District	0039	A			Yes	7/1/1996	
York, Town of	0028	A	2 <sup>29</sup>		Yes	7/1/1994	

**CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS  
OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2013**

**APPENDIX A  
PARTICIPATING LOCAL DISTRICT PLAN ELECTIONS**

**Notes:**

FO = Future Service COLA only, that is, for benefits attributable to service rendered after the Future Service COLA date.

- <sup>1</sup> Employees hired prior to July 1, 1997 and who are members of the Plan are covered under Special Plan #1. Corrections Officers and Law Enforcement Officers hired on or after July 1, 1997, will be covered under Special Plan #2. All other employees hired on or after July 1, 1997, will be covered under Regular Plan A.
- <sup>2</sup> Applicable to all new hires on or after July 1, 1996. All members in the PLD at July 1, 1996 elected to remain in the 1/50 Plan under Regular Plan A.
- <sup>3</sup> Applicable for future service only for Police Officers from July 1, 2008 and for future service only for Firefighters from July 1, 2010.
- <sup>4</sup> Applicable for future service only rendered by law enforcement from July 1, 2003. Applicable for future service only rendered by Firefighters from July 1, 2007.
- <sup>5</sup> Brewer Water District (P0068) ceased to exist as a separate entity on January 15, 2003 and became part of the City of Brewer (P0063). All Brewer Water District Regular Plan AN members became members of the Regular Plan AC for future service only.
- <sup>6</sup> Plan 1 applicable to Police for future service after January 1, 2010, and Plan 3 applicable to Firefighters for future service after January 1, 2010. Some grand-parented police and fire receive all service in Plan 1.
- <sup>7</sup> Applicable for future service rendered by the Town's Firefighters and Police Officers from July 1, 2001.
- <sup>8</sup> Applicable for future service only from July 1, 2000.
- <sup>9</sup> Applicable for future service only from July 1, 2003.
- <sup>10</sup> Applicable for future service rendered by the County's Police Officers from July 1, 2008.
- <sup>11</sup> Applicable for future service of Police Officers, effective July 1, 2006.
- <sup>12</sup> Greater Augusta Utility District (P0311) was formed by the merger of the Augusta Water District (former P0034) and the Augusta Sanitary District (former P0064).
- <sup>13</sup> Applicable for future service only for the Town's Firefighters and Police Officers, effective July 1, 2010.
- <sup>14</sup> Applicable to all new hires on or after July 1, 1994. All members in the PLD at July 1, 1994, elected to remain in the 1/50 Plan under Regular Plan A.
- <sup>15</sup> Applicable for future service only for the Town's Police Officers, effective January 1, 2012.

**CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS  
OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2013**

**APPENDIX A  
PARTICIPATING LOCAL DISTRICT PLAN ELECTIONS**

- <sup>16</sup> Indian Township Tribal Government (P0144) withdrew from participation effective February 29, 2008.
- <sup>17</sup> Applicable to all service for Police Officers and for future service only of Firefighters rendered from July 1, 2008.
- <sup>18</sup> Applicable for future service only (from July 1, 2007) for Police Officers.
- <sup>19</sup> Withdrew from Plan for new members, effective July 31, 2004.
- <sup>20</sup> Plan 3 for future service of Police Officers hired on or after October 12, 1992, after January 1, 2010. Plan 1 for future service after January 1, 2010 for Police Officers hired prior to October 1, 1992.
- <sup>21</sup> Applicable to future service rendered by the Town's Firefighters and Police Officers from July 1, 2005. Prior service was credited under Special Plan 4C.
- <sup>22</sup> Applicable for future service rendered by the Town's Police Officers from July 1, 2007.
- <sup>23</sup> Applicable for Police Officers hired before July 1, 1998 for all service and for Police Officers hired after June 30, 1998, for future service only from July 1, 2003.
- <sup>24</sup> Applicable to new Police Officers hired after June 30, 1998 for service through June 30, 2003.
- <sup>25</sup> Applicable for future service only rendered by law enforcement from July 1, 2002.
- <sup>26</sup> Applicable for future service rendered by the Town's Firefighters from July 1, 2004.
- <sup>27</sup> Applicable for future service rendered by the Town's Firefighters from July 1, 2008, and by the Police Officers from July 1, 2010.
- <sup>28</sup> Applicable for future service only of Police Officers, effective July 1, 2009, and for future service only of Firefighters, effective July 1, 2010. Prior service credited under Special Plan 2C.
- <sup>29</sup> Applicable for future service only from July 1, 2005.
- <sup>30</sup> Applicable for future service rendered by the Town's Firefighters from July 1, 2005.
- <sup>31</sup> Withdrew from Plan for new members effective July 1, 2004.
- <sup>32</sup> Applicable to all future service rendered by the Town's Firefighters/EMS and Police Officers from July 1, 2010. Previous service credited under Special Plan 2.
- <sup>33</sup> Applicable to all future service rendered by Police Officers after January 1, 2010.

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS  
OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2013

APPENDIX B  
MEMBER AND BENEFITS RECIPIENTS DATA AND PROFILES

<b>Active Member Data as of June 30, 2013</b>	
<b>Regular Plans Members</b>	
Count	8,604
Average Current Age	47.69
Average Service	9.29
Average Valuation Pay	\$ 36,818
<b>Special Plans Members</b>	
Count	2,508
Average Current Age	41.62
Average Service	11.09
Average Valuation Pay	\$ 56,476
<b>All Plans Members</b>	
Count	11,112
Average Current Age	46.32
Average Service	9.70
Average Valuation Pay	\$ 41,255

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS  
OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2013

**APPENDIX B**  
**MEMBER AND BENEFITS RECIPIENTS DATA AND PROFILES**

<b>Participating Local Districts of the Maine Public Employees Retirement System</b>			
<b>Non-Active Member Data as of June 30, 2013</b>			
<b>Regular Plan</b>			
	<b>Count</b>	<b>Total Annual Benefit</b>	<b>Average Annual Benefit</b>
Retired	4,257	\$ 52,768,763	\$ 12,396
Retired- Concurrent Beneficiaries	335	1,079,407	3,222
Disabilities / 1122	36	402,874	11,191
Disabilities / 3 and 3A	280	5,421,343	19,362
Beneficiaries	944	8,146,864	8,630
Pre-Retirement Death Benefits	150	908,270	6,055
Terminated Vested	1,786	6,410,420	3,589
Inactive Due Refund	5,125		

<b>Participating Local Districts of the Maine Public Employees Retirement System</b>			
<b>Non-Active Member Data as of June 30, 2013</b>			
<b>Special Plan</b>			
	<b>Count</b>	<b>Total Annual Benefit</b>	<b>Average Annual Benefit</b>
Retired	1,402	\$ 39,792,806	\$ 28,383
Retired- Concurrent Beneficiaries	368	2,141,852	5,820
Disabilities / 1122	28	535,199	19,114
Disabilities / 3 and 3A	62	1,741,761	28,093
Beneficiaries	236	3,443,984	14,593
Pre-Retirement Death Benefits	24	156,273	6,511
Terminated Vested	231	1,668,505	7,223
Inactive Due Refund	280		

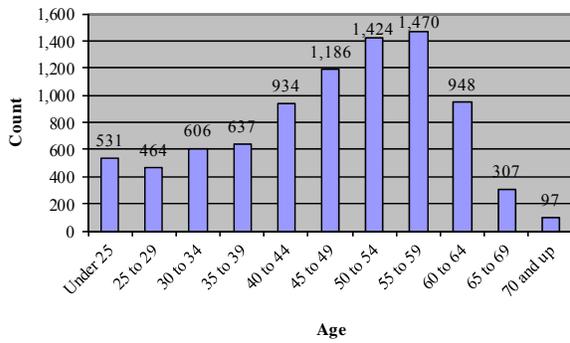
**CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS  
OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2013**

**APPENDIX B  
MEMBER AND BENEFITS RECIPIENTS DATA AND PROFILES**

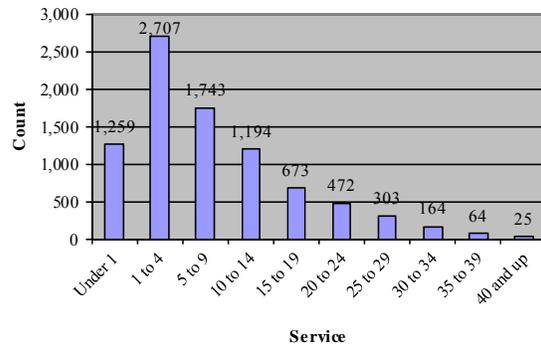
**Distribution of Active Members  
As of June 30, 2013**

	Regular Plan Participants										Totals
	Years of Service										
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 and up	
Under 25	337	183	11	0	0	0	0	0	0	0	531
25 to 29	142	252	70	0	0	0	0	0	0	0	464
30 to 34	130	281	157	38	0	0	0	0	0	0	606
35 to 39	121	263	137	97	19	0	0	0	0	0	637
40 to 44	120	353	238	138	59	24	2	0	0	0	934
45 to 49	109	387	275	186	121	72	34	2	0	0	1,186
50 to 54	123	395	324	216	122	117	80	44	3	0	1,424
55 to 59	100	339	281	264	161	136	94	53	40	2	1,470
60 to 64	44	181	177	187	127	91	63	47	16	15	948
65 to 69	21	52	59	54	52	26	23	11	4	5	307
70 and up	12	21	14	14	12	6	7	7	1	3	97
<b>Total</b>	<b>1,259</b>	<b>2,707</b>	<b>1,743</b>	<b>1,194</b>	<b>673</b>	<b>472</b>	<b>303</b>	<b>164</b>	<b>64</b>	<b>25</b>	<b>8,604</b>

**Age Distribution**



**Service Distribution**



**CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS  
OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2013**

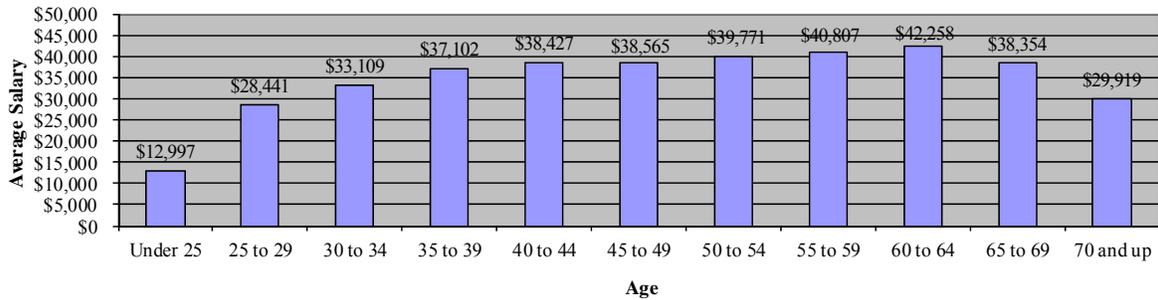
**APPENDIX B  
MEMBER AND BENEFITS RECIPIENTS DATA AND PROFILES**

**Distribution of Active Members  
As of June 30, 2013**

**Regular Plan Participants**

	Average Salary											Average
	Years of Service											
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 and up		
Under 25	\$ 6,171	\$ 24,509	\$ 30,600	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 12,997
25 to 29	14,228	33,984	37,320	0	0	0	0	0	0	0	0	28,441
30 to 34	12,392	37,043	41,648	39,612	0	0	0	0	0	0	0	33,109
35 to 39	12,525	42,017	42,263	45,730	44,334	0	0	0	0	0	0	37,102
40 to 44	13,429	38,921	41,889	46,664	49,309	47,242	44,213	0	0	0	0	38,427
45 to 49	12,903	37,204	39,246	42,205	48,398	48,778	54,189	40,229	0	0	0	38,565
50 to 54	12,627	39,106	40,035	42,123	44,247	47,677	51,810	51,580	57,697	0	0	39,771
55 to 59	14,059	37,236	40,717	39,835	44,961	49,035	51,629	53,915	57,244	46,040	0	40,807
60 to 64	10,819	37,979	40,395	45,518	43,499	46,034	46,769	58,290	53,319	53,034	0	42,258
65 to 69	8,639	33,519	39,750	39,948	40,307	39,658	47,007	51,662	58,333	67,578	0	38,354
70 and up	5,446	21,074	26,688	33,719	48,581	29,628	43,430	47,412	64,995	28,972	0	29,919
Average	\$ 11,061	\$ 36,858	\$ 40,345	\$ 42,703	\$ 45,242	\$ 47,226	\$ 50,364	\$ 53,947	\$ 56,473	\$ 52,496	\$ 36,818	

**Average Salary Distribution**



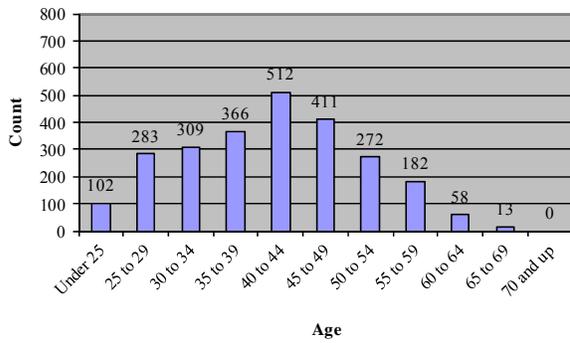
**CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS  
OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2013**

**APPENDIX B  
MEMBER AND BENEFITS RECIPIENTS DATA AND PROFILES**

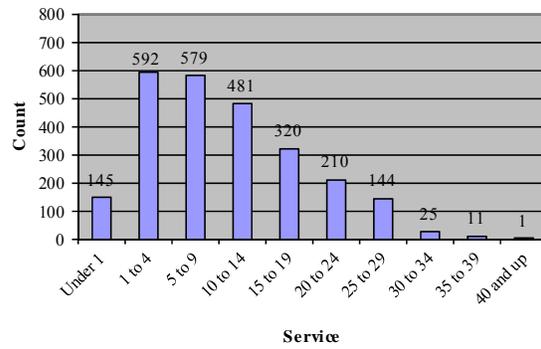
**Distribution of Active Members  
As of June 30, 2013**

	Special Plan Participants										Totals
	Years of Service										
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 and up	
Under 25	48	53	1	0	0	0	0	0	0	0	102
25 to 29	44	160	77	2	0	0	0	0	0	0	283
30 to 34	21	104	144	40	0	0	0	0	0	0	309
35 to 39	11	90	102	126	36	1	0	0	0	0	366
40 to 44	9	85	104	152	130	31	1	0	0	0	512
45 to 49	7	44	61	90	79	80	50	0	0	0	411
50 to 54	1	32	51	35	37	58	50	8	0	0	272
55 to 59	3	19	34	28	23	29	29	12	5	0	182
60 to 64	1	4	4	6	13	8	13	4	4	1	58
65 to 69	0	1	1	2	2	3	1	1	2	0	13
70 and up	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>145</b>	<b>592</b>	<b>579</b>	<b>481</b>	<b>320</b>	<b>210</b>	<b>144</b>	<b>25</b>	<b>11</b>	<b>1</b>	<b>2,508</b>

**Age Distribution**



**Service Distribution**



**CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS  
OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2013**

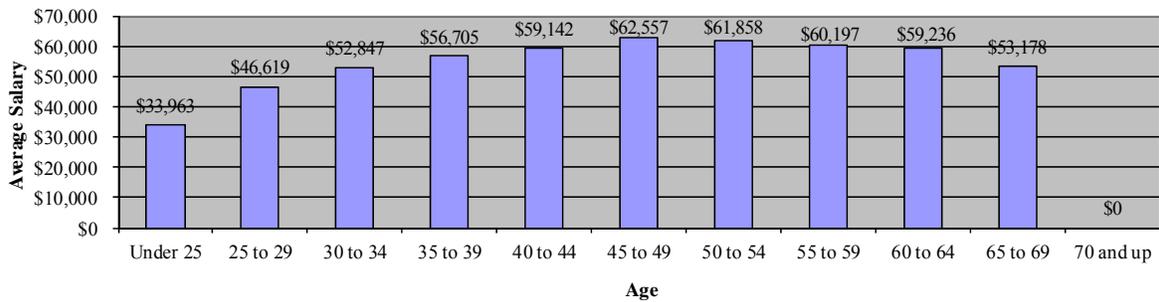
**APPENDIX B  
MEMBER AND BENEFITS RECIPIENTS DATA AND PROFILES**

**Distribution of Active Members  
As of June 30, 2013**

**Special Plan Participants**

	Average Salary											Average
	Years of Service											
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 and up		
Under 25	\$ 20,151	\$ 46,021	\$ 57,883	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 33,963
25 to 29	23,728	48,598	55,453	51,809	0	0	0	0	0	0	0	46,619
30 to 34	30,287	50,029	56,409	59,194	0	0	0	0	0	0	0	52,847
35 to 39	22,998	52,569	57,873	60,531	61,152	38,589	0	0	0	0	0	56,705
40 to 44	12,597	53,747	56,518	60,512	64,362	67,689	57,687	0	0	0	0	59,142
45 to 49	24,396	55,946	60,261	61,257	63,181	66,691	71,260	0	0	0	0	62,557
50 to 54	2,308	57,416	59,251	59,934	61,242	64,111	66,612	68,909	0	0	0	61,858
55 to 59	25,223	57,866	53,675	55,469	59,632	61,145	67,664	73,904	81,774	0	0	60,197
60 to 64	38,458	56,223	54,834	64,136	53,340	64,984	61,494	62,973	63,574	49,295	0	59,236
65 to 69	0	59,274	43,089	59,760	42,666	43,941	53,244	77,770	60,629	0	0	53,178
70 and up	0	0	0	0	-	0	0	0	0	0	0	-
Average	\$ 22,765	\$ 51,351	\$ 57,024	\$ 60,217	\$ 62,425	\$ 64,836	\$ 67,821	\$ 70,711	\$ 71,311	\$ 49,295		\$ 56,476

**Average Salary Distribution**



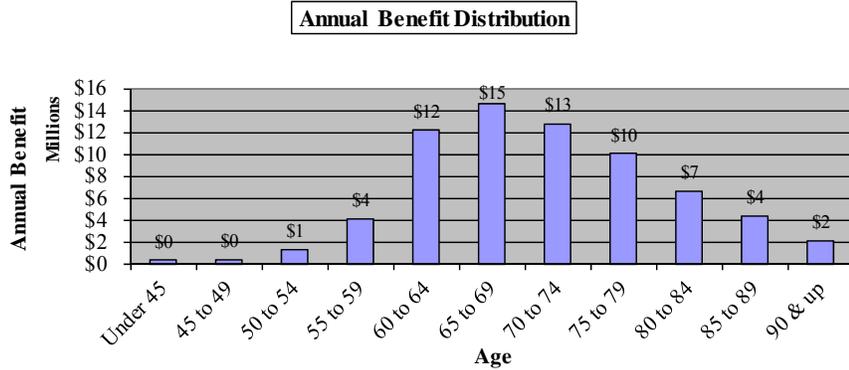
**CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS  
OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2013**

**APPENDIX B  
MEMBER AND BENEFITS RECIPIENTS DATA AND PROFILES**

**Distribution of Retirees, Disabled  
Members, Beneficiaries, and Survivors  
As of June 30, 2013**

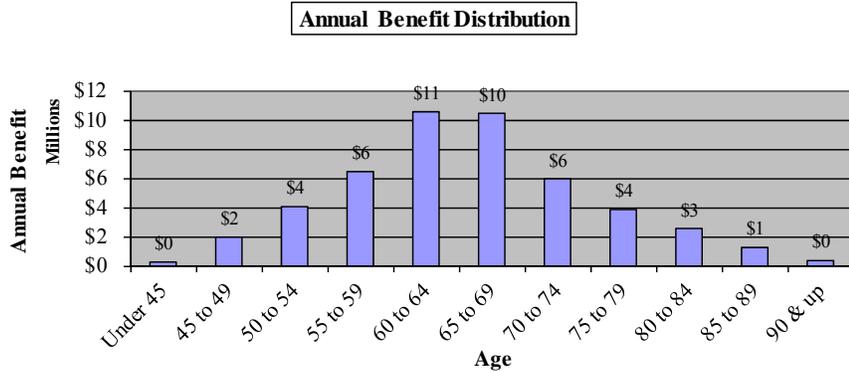
**Regular Plan Participants**

Age	Count	Annual Benefit
Under 45	56	\$ 295,145
45 to 49	37	355,632
50 to 54	94	1,283,887
55 to 59	247	4,066,947
60 to 64	841	12,164,439
65 to 69	1,119	14,662,120
70 to 74	1,104	12,795,791
75 to 79	926	10,008,850
80 to 84	737	6,640,559
85 to 89	530	4,367,153
90 & up	311	2,086,997
<b>Total</b>	<b>6,002</b>	<b>\$ 68,727,521</b>



**Special Plan Participants**

Age	Count	Annual Benefit
Under 45	24	\$ 254,478
45 to 49	81	1,996,016
50 to 54	154	4,062,840
55 to 59	240	6,472,909
60 to 64	422	10,553,806
65 to 69	442	10,440,504
70 to 74	286	5,964,835
75 to 79	215	3,886,580
80 to 84	141	2,511,433
85 to 89	84	1,273,104
90 & up	31	395,369
<b>Total</b>	<b>2,120</b>	<b>\$ 47,811,875</b>



CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS  
OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2013

**APPENDIX C**  
**SUMMARY OF PLAN PROVISIONS**

**1. Member Contributions:**

Members are required to contribute a percent of earnable compensation, which varies by Plan as follows:

Regular AC & AN	6.5%
Regular BC	3.0%
Special 1C & 1N	6.5%
Special 2C & 2N	6.5%
Special 3C & 3N	8.0% for first 25 years, 6.5% after
Special 4C & 4N	7.5% for first 25 years, 6.5% after

Member contributions to increase by 0.5% in FY 15, FY 16 and FY 17.

**2. Average Final Compensation:**

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

**3. Creditable Service:**

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

**4. Service Retirement Benefits:**

***Regular Plan AC***

Normal Retirement Age:

Plan Members prior to July 1, 2014:	60
New Members to the Plan on or after July 1, 2014:	65

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

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

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

**CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS  
OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2013**

**APPENDIX C  
SUMMARY OF PLAN PROVISIONS**

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

Benefit: 1/50 of average final compensation multiplied by years of membership service under Consolidated Plan AC reduced by:

Plan Members prior to July 1, 2014:	approximately 2¼% for each year that a member is younger than age 60 at retirement.
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New Members to the Plan on or after July 1, 2014:	6% for each year that a member is Younger than age 65 at retirement.
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Form of Payment: Life annuity (“full benefit”), unless an optional method of payment is selected.

Cost-of-Living Adjustment: See item 10.

***Regular Plan AN***

This benefit plan is the same as Regular Benefit Plan AC, except that there is no provision for cost-of-living adjustments.

***Regular Plan BC***

Normal Retirement Age:

Plan Members prior to July 1, 2014:	60
New Members to the Plan on or after July 1, 2014:	65

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

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

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

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

**CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS  
OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2013**

**APPENDIX C  
SUMMARY OF PLAN PROVISIONS**

Benefit: 1/100 of average final compensation multiplied by years of membership service under Consolidated Plan BC reduced by:

Plan Members prior to July 1, 2014: approximately 2¼% for each year that a member is younger than age 60 at retirement.

New Members to the Plan on or after July 1, 2014: 6% for each year that a member is Younger than age 65 at retirement.

Form of Payment: Life annuity (“full benefit”), unless an optional method of payment is selected.

Cost-of-Living Adjustment: See item 10.

***Regular Plan Notes***

1. Under certain circumstances, Regular Plan service can count, on a pro rata basis, toward meeting Special Plan benefit eligibility requirements.
2. The actual benefit for service earned prior to coverage under the Consolidated Plan may be based on a variable percentage of average final compensation multiplied by years of service under any previous plan(s) (the percentage depends on the previous plan(s)).

***Special Plan 1C***

Eligibility: 20 years of creditable service in named positions.

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

Form of Payment: Life annuity (“full benefit”), unless an optional method of payment is selected.

Cost-of-Living Adjustment: See item 10.

***Special Plan 1N***

This benefit plan is identical to Special Benefit Plan 1C, except that there is no provision for cost-of-living adjustments.

***Special Plan 2C***

Eligibility: 25 years of creditable service in named positions.

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS  
OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2013

**APPENDIX C**  
**SUMMARY OF PLAN PROVISIONS**

Benefit: One-half average final compensation plus 2% for each year of service in excess of 25.

Form of Payment: Life annuity (“full benefit”), unless an optional method of payment is selected.

Cost-of-Living Adjustment: See item 10.

***Special Plan 2N***

This benefit plan is identical to Special Benefit Plan 2C, except that there is no provision for cost-of-living adjustments.

***Special Plan 3C***

Eligibility: 25 years of creditable service in named positions.

Benefit: Two thirds of average final compensation plus 2% for each year of service in excess of 25.

Form of Payment: Life annuity (“full benefit”), unless an optional method of payment is selected.

Cost-of-Living Adjustment: See item 10.

***Special Plan 3N***

This benefit is identical to Regular Benefit Plan 3C, except that there is no provision for cost-of-living adjustments.

***Special Plan 4C***

Eligibility: Age 55 with 25 years of creditable service in named positions.

Benefit: 1/50 of average final compensation multiplied by years of membership service under Consolidated Plan 4C reduced by:

Plan Members prior to July 1, 2014:	approximately 2¼% for each year that a member is younger than age 55 at retirement.
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New Members to the Plan on or after July 1, 2014:	6% for each year that a member is Younger than age 55 at retirement.
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Form of Payment: Life annuity (“full benefit”), unless an optional method of payment is selected.

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS  
OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2013

**APPENDIX C**  
**SUMMARY OF PLAN PROVISIONS**

Cost-of-Living Adjustment: See item 10.

***Special Plan 4N***

This benefit plan is identical to Special Benefit Plan 4C, except that there is no provision for cost-of-living adjustments.

***Special Plan Notes***

1. If a Special Plan member fails to meet the Special Plan eligibility criteria, their service retirement benefit is that provided by the applicable underlying Regular Plan; Special Plan service credits are used toward Regular Plan eligibility requirements.
2. Service in all Special Plans counts, on a percentage basis, toward meeting the benefit eligibility requirements of any Special Plan.
3. The actual benefit for service earned prior to coverage under the Consolidated Plan may be based on a variable percentage of average final compensation multiplied by years of service under any previous plan(s) (the percentage depends on the previous plan(s)).

**5. Pre-Retirement Accidental Death Benefits:**

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

Benefit:

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

APPENDIX C  
SUMMARY OF PLAN PROVISIONS

**6. Pre-Retirement Ordinary Death Benefits:**

Eligibility: Death while active, inactive, eligible to retire, or disabled.

Benefit: Designated beneficiary, spouse, child(ren), or parents entitled to benefit calculated as if deceased member had retired under Option 2 (see item 12); however, beneficiary may elect survivor benefits payable to a surviving spouse, dependent child(ren), parents, or other designated beneficiaries in monthly amounts varying by status of beneficiary and number of eligible survivors. Otherwise, accumulated contributions with interest are payable to designated beneficiary, spouse, child(ren), older parent or estate.

**7. Disability Retirement Benefits Other Than No Age Benefits (See Item 8):**

Eligibility: Disabled as defined in the MainePERS statutes, prior to normal retirement age, employed prior to October 16, 1992 and did not elect No Age Disability Benefits.

Benefit:  $66\frac{2}{3}\%$  of average final compensation, reduced by employment earnings over the specified statutory limit, and to the extent that the benefit in combination with Worker's Compensation and Social Security, exceeds 80% of average final compensation.

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

Conversion to Service Retirement: During the period of disability, service is credited and average final compensation may be increased with cost-of-living adjustments (see item 10). On the date when service benefits reach a level of  $66\frac{2}{3}\%$  of average final compensation or ten years after the normal retirement date, if earlier, the disability converts to a service retirement benefit based on service and average final compensation at that point.

**8. No-Age Disability Benefits:**

Eligibility: Disabled as defined in the MainePERS statutes, employed on or after October 16, 1992 or employed prior to October 16, 1992 and elected the provisions of No Age Disability.

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

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

**CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS  
OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2013**

**APPENDIX C  
SUMMARY OF PLAN PROVISIONS**

Conversion to Service Retirement: During the period of disability, service is credited and average final compensation may be increased with cost-of-living adjustments (see item 10). On the date when service benefits reach a level of 59% of average final compensation, the disability benefit converts to a service retirement benefit based on service and average final compensation at that point.

**9. Refund of Contributions:**

Eligibility: Termination of service other than by retirement or death.

Benefit: Member's accumulated contributions with interest.

**10. Cost-of-Living Adjustments (COLA):**

All service and disability retirement (and survivor) benefits payable to (or in relation to) benefit recipients who were employed by a PLD that elected a plan which provides for a COLA are adjusted each year that there is a percentage change in the Consumer Price Index, based on the Index. If the percentage change is negative, then no adjustment is made in that year. In subsequent years the adjustment that would have been made will be adjusted downward to the extent necessary to recoup the full actuarial value of not having made the previous year's negative adjustment. This process of adjustment may occur over a multi-year period if needed to recoup the full value of the non-zero COLA.

Cost-of-living adjustments are effective September 1 and are applied to all benefits which have been in payment for twelve months for retirees who retire on or after September 1, 2015 or six months for retirees who retire prior to September 1, 2015. The maximum annual increase is 3% (4% prior to the 2014 COLA).

**11. Methods of Payment of Service Retirement Benefits:**

At retirement, a member must choose one of the following methods of payment.

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

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

Option 2: 100% joint and survivor annuity

Option 3: 50% joint and survivor annuity

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

**CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS  
OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2013**

**APPENDIX C  
SUMMARY OF PLAN PROVISIONS**

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

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

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

Option 8: Option 4 with pop-up\*

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

**12. Changes in Plan Provisions:**

Effective with the 2014 COLA the COLA cap has been reduced to 3%,  
Those retired on or after September 1, 2015 there is a 12 month wait for the first COLA,  
Member contributions will increase by 0.5% for FY 15, FY 16 & FY 17,  
New plan participants after July 1, 2014 shall have a retirement age of 65 and early retirement reduction factors of 6% per year early.

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS  
OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2013

**APPENDIX D**  
**ACTUARIAL ASSUMPTIONS AND METHODS**

**A. Actuarial Assumptions**

1. **Annual Rate of Investment Return:** 7.25%
2. **Cost-of-Living Increases in Benefits:** 3.12% through 2014 then 2.55% thereafter (where Applicable)
3. **Rates of Termination at Selected Years of Service\*:**

Service	Regular	Special
0	20.0%	25.0%
1	17.5	12.5
2	15.0	10.0
3	12.5	7.5
4	10.0	5.0
5	7.5	4.0
10	2.5	2.5
15	2.5	2.5

\* Members with five or more years of service are assumed to elect deferred vested benefits; other terminations are assumed to elect refunds.

4. **Rates of Active Healthy Life Mortality at Selected Ages (number of deaths per 10,000 members)\*:**

Age	Male	Female
50	16	13
55	27	24
60	53	47
65	103	90
70	177	155
75	306	249
80	554	413
85	997	708
90	1,727	1,259
95	2,596	1,888

\* For Regulars, 5% of deaths are assumed to arise out of and in the course of employment; for Specials, 20% of deaths are assumed to arise out of and in the course of employment.

Rates are based on the RP 2000 Mortality Table for Males and Females projected forward for 2015 using Scale AA.

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS  
OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2013

**APPENDIX D**  
**ACTUARIAL ASSUMPTIONS AND METHODS**

**5. Rates of Mortality for Disabled Lives at Selected Ages (number of deaths per 10,000 members):**

Age	Male	Female
25	92	72
30	112	89
35	134	109
40	160	126
45	193	144
50	236	165
55	295	191
60	362	226
65	446	272
70	576	331

Rates are based on the Revenue Ruling 96-7 Disabled Mortality Table for Males and Females.

**6. Rates of Retirement at Selected Ages (number retiring per 1,000 members):**

**Regular Plans**

Age	Assumption
45	50
50	50
55	100
60	270
65	300
70	1,000

**Special Plans**

Service	Assumption
20	400
21-24	300
25	400
26-29	300
30	400
31-34	300
35+	1,000

Note that the rates are only applied once the member is eligible to retire, so those in 25 year plans are not assumed to retire at 20 years of service.

**CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS  
OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2013**

**APPENDIX D  
ACTUARIAL ASSUMPTIONS AND METHODS**

**7. Rates of Disability at Selected Ages (members becoming disabled per 10,000 members)\*:**

Age	All Plans
25	3
30	4
35	5
40	7
45	15
50	33
55	61

\* 10% assumed to receive Worker's Compensation benefits offsetting disability benefit.

**8. Family Composition Assumptions:**

80% of active members are married and have two children born when the member is 24 and 28; children are dependent until age 18; spouses are same age; member has no dependent parents; unmarried members have beneficiaries entitled to benefits worth 80% as much as those of married members' beneficiaries.

**9. Salary Growth Assumption:**

<b>Rates of Increases at Selected Years</b>	
Years of Service	Increase
0	9.5%
1	7.5
2	6.0
3	4.7
4	4.3
5	4.0
10	3.5
15	3.5
20	3.5
25	3.5
30	3.5

**CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS  
OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2013**

**APPENDIX D  
ACTUARIAL ASSUMPTIONS AND METHODS**

**10. Date of Adoption of Assumptions:**

The economic assumptions and mortality tables were adopted by the Trustees as a result of the latest experience study review performed in 2011 and covering the period July 1, 2005 through June 30, 2010. The remaining assumptions were adopted by the Trustees as a result of the experience study review performed in 2008 and covering the period July 1, 2000 through June 30, 2008.

**11. Assumption Changes Since Last Valuation:**

Rate of COLA increase was reduced for all years after 2014 to reflect the new COLA cap.

APPENDIX D  
ACTUARIAL ASSUMPTIONS AND METHODS

**B. Actuarial Methods**

**1. Funding Method:**

The Individual Entry Age Normal method is used to determine costs. Under this funding method, the total employer contribution rate is determined which consists of two elements: the normal cost rate and the pooled unfunded actuarial liability (PUAL) rate. The actual contribution for a given PLD will include an IUUAL payment as well, unless the PLD came into the Plan with surplus assets or has paid off its IUUAL.

For each Regular and Special Plan, a normal cost rate is determined for each active member. This rate is determined by taking the value, as of age at entry into the Plan, of the member's projected future benefits, reducing it by the value of future member contributions, and dividing it by the value, also as of the member's entry age, of the member's expected future salary.

In addition to normal cost contributions calculated per Plan, the employers in each Plan are required to make contributions to fund that plan's PUAL, if any. The actuarial liability is defined as the present value of future benefits less the present value of future normal costs, less future member contributions, and less expected IUUAL payments. The PUAL is the total of the actuarial liability for all members less the actuarial value of the Plan's assets. The actuarial liability includes projections of future member pay increases and future services credits.

The Initial Unpooled Unfunded Actuarial Liability (IUUAL) was calculated at entry into the Consolidated Plan for each PLD. For PLDs with liabilities greater than assets, these amounts are amortized by annual payments over a fixed number of years. Additional unpooled unfunded liability amounts that arise for a given PLD after its entry to the Consolidated Plan are amortized over a period of not more than 15 years.

**2. Asset Valuation Method:**

For purposes of determining the State contribution to the plans in the Program, we use an actuarial value of assets. The asset adjustment method dampens the volatility in asset values that could occur because of fluctuations in market conditions. Use of an asset smoothing method is consistent with the long-term nature of the actuarial valuation process.

In determining the actuarial value of assets, we calculate an expected actuarial value based on cash flow for the year and imputed returns at the actuarial assumption. This expected value is compared to the market value and one-third of the difference is added to the preliminary actuarial value to arrive at the final actuarial value.

**3. Changes since Last Valuation:**

None