

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

**Actuarial Valuation Report
as of June 30, 2014**

Produced by **Cheiron**

October 2014

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October 31, 2014

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

Dear Members of the Board:

We are pleased to submit the June 30, 2014, Actuarial Valuation Report for the Consolidated Plan for Participating Local Districts of the Maine Public Employees Retirement System (System). This report is for the use of the Public Employees Retirement Board and its auditors in preparing financial reports in accordance with applicable law and accounting requirements. This report contains information on assets, liabilities, and contributions of the Plan, as well as the required accounting statement disclosures under the Governmental Accounting Standards Board (GASB) Statement No. 67.

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

The results of this report rely on future plan experience conforming to the underlying assumptions and methods outlined in this report. To the extent that the actual plan experience deviates from the underlying assumptions and methods, or there are any changes in plan provisions or applicable laws, the results would vary accordingly.

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 that 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. 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, 2014**

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, 2014. 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**, both historical and prospective, in the financial condition of the Plan;
- 3) **Determine the adequacy of the contribution rate** to be paid by the PLDs for Fiscal Year (FY) 2016; 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 investment performance as well as an analysis of actuarial liability gains and losses.

Section I presents a summary containing our key 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 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. 67.

Finally, at the end of this report we present appendices that contain a summary of the:

- The plan elections that have been made by the participating local districts (Appendix A);
- Program membership information at the valuation date (Appendix B);
- Major benefit provisions of the Program and the various plans included in the Plan (Appendix C);
- The actuarial methods and assumptions used in the valuation (Appendix D); and,
- A glossary of terminology used in the GASB disclosures (Appendix E).

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**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 (75% of the employer normal cost). The factor for incremental adjustments, when the funded status falls outside the corridor 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 75% of the employer normal cost.

The "calculated rate" discussed above is defined as the sum of the Plan's normal cost, reduced by the employee contributions to produce the employer 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).

As of this June 30, 2014 valuation, the funded ratio is 89.5%. Since this funded level is less than 90%, the corridor calculation requires an adjustment. Over the last five years, the rate has been increasing from 3% of payroll to 8% of payroll, and it is expected to increase to 9% in FY 2016. This 1% increase from the FY 2015 rate is sufficient to cover the corridor adjustment.

This report reflects the change in pension accounting requirements from the Governmental Accounting Standards Board (GASB) Statement No. 25 to GASB Statement No. 67.

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

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**SECTION I
BOARD SUMMARY**

Trends

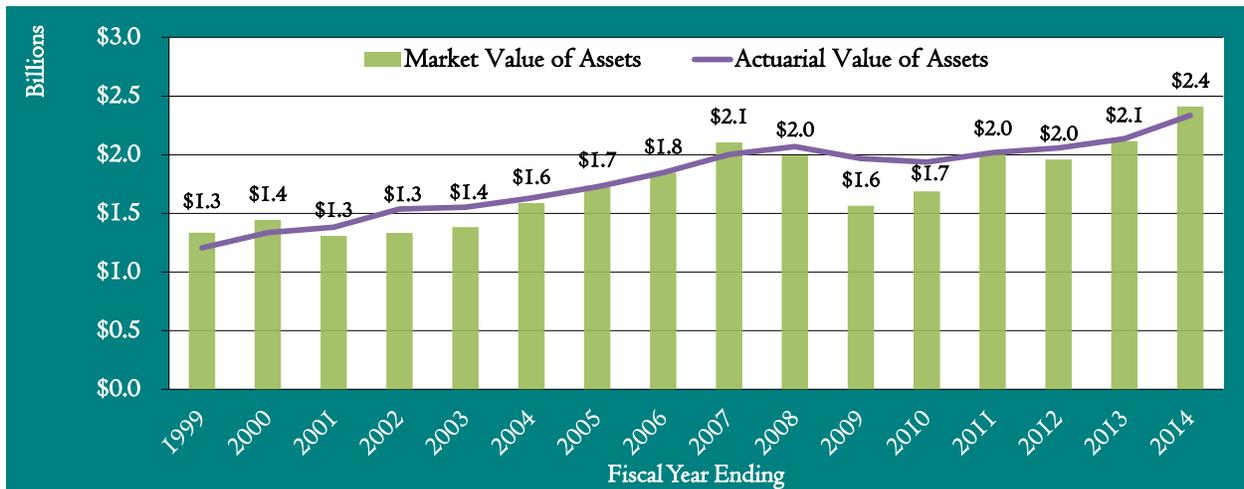
The market value of the assets for all of the defined benefit plans in the programs administered by MainePERS returned a positive 16.85% return this year, which was above the actuarial assumption of 7.25%. On an actuarial value of assets basis, the assets returned 12.20% compared with an assumed rate of return of 7.25%, producing an asset gain of \$110.3 million on the portion of the assets relating to the PLDs.

The measurement of liabilities used for funding purposes produced a loss this year in the amount of \$20.0 million.

The combined effect of these components over the last year produced a net gain of \$90.3 million. This gain, combined with the continued ramp up of contribution rates resulted in the Plan’s funding ratio, actuarial value of assets over actuarial liability, increasing from 86.6% as of June 30, 2013 to 89.5% as of June 30, 2014.

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 graphs that display key historical trends in the Plan’s financial condition. Following the historical review, we present projections of the probable condition of the Plan into the future under various market return scenarios.

Growth in Assets

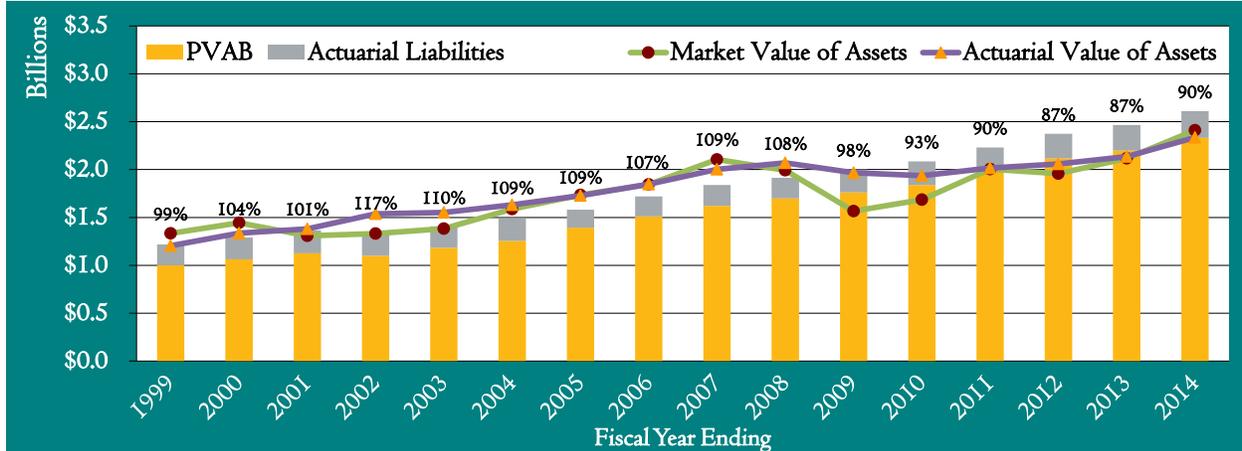


The graph above illustrates how well the actuarial smoothing method has insulated the Plan from market volatility. Also, it demonstrates how there has generally been an upward trend for both the market value, the green bars, and the actuarial value of assets, the blue line, since 1999. The few exceptions are the years immediately following the severe market declines in the 2000s.

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**SECTION I
BOARD SUMMARY**

Assets and Liabilities



This next graph illustrates the progress of assets against liabilities. The yellow bars represent the Present Value of Accrued Benefits (PVAB) as of the valuation date. Using this liability measure, the Plan is fully funded when applying either the market value of assets or the actuarial value of assets.

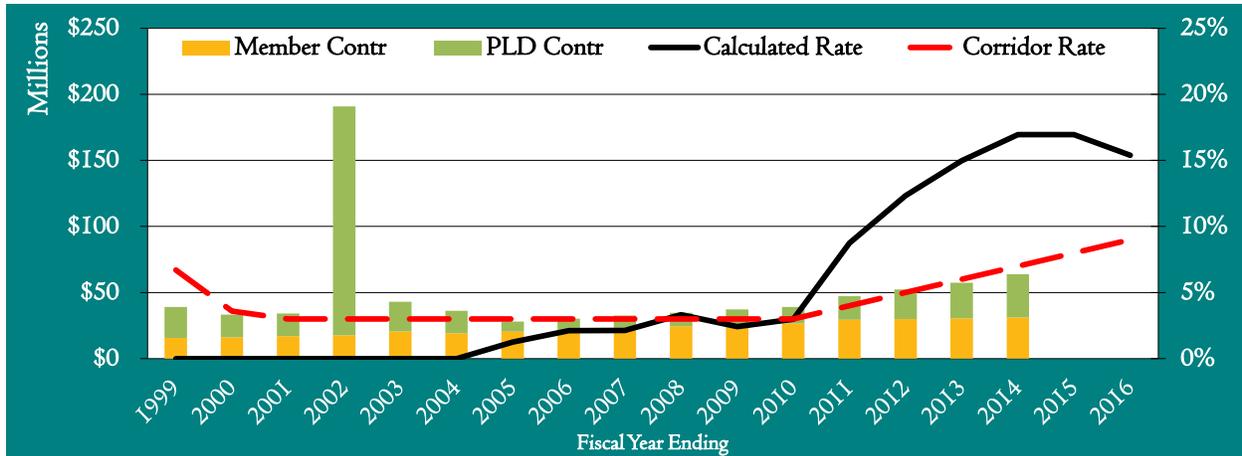
The actuarial liability (AL), the liability measure used for funding purposes, is represented by the top of the grey bars. We compare the actuarial value of assets to this measure of liability in developing the funding ratios. These are the percentages shown in the graph labels.

The graph illustrates that the Plan had its highest funding ratio (117%) at June 30, 2002, which was just after several PLDs paid off their IUUALs. Since then, the funded ratio has generally declined, but this year increased for the first time in seven years, to 89.5%.

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**SECTION I
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Contributions



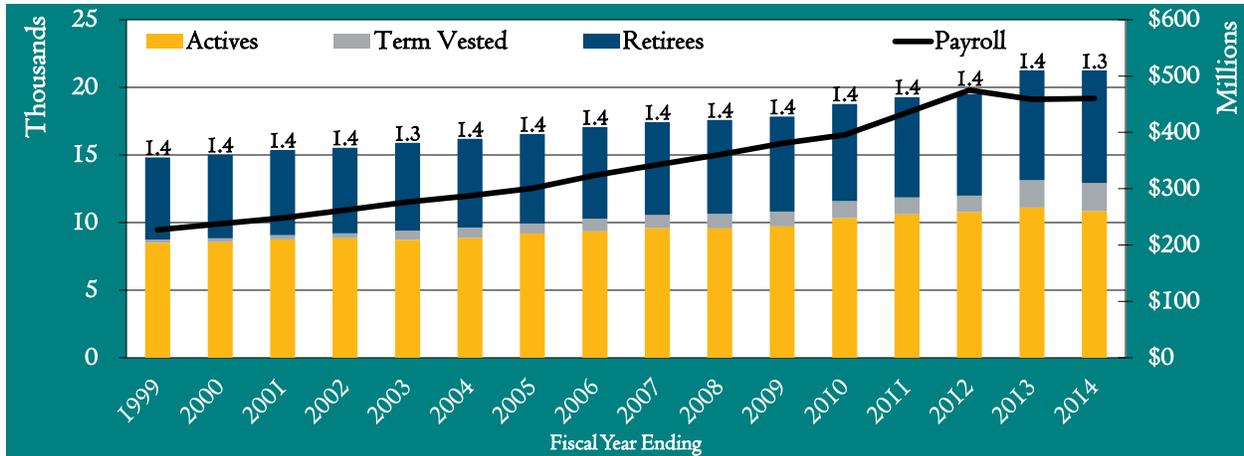
This graph shows the history of contributions to the Plan, both as dollar amounts and as percentages of payroll. The stacked bars in this graph show the contributions made by both the PLDs and their members in dollar terms for the fiscal years ending as of the year shown in the bottom axis. The black line shows the aggregate actuarially computed PLD contribution rate as a percentage of payroll while the red dotted line shows the corridor contribution rate that is being paid. The recent significant increase in the calculated rate was due primarily to investment losses sustained in the 2008-09 plan year. The increases in the corridor rate combined with plan changes are expected 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 additional contribution rates than the contribution dollar amounts shown above. Of particular interest is the fact that for the two future years, FY 2015 and FY 2016, the size of the gap between the calculated rate and the corridor rate is shrinking for the first time since the 2008-09 downturns.

The member contribution rate is set by statute and by the Board, based on the plan in which the member participates. The employer contribution rate paid by each PLD is set by the annual valuations, with this valuation determining the FY 2016 rates, and varies according to the plan in which the covered members of the PLD 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.

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**SECTION I
BOARD SUMMARY**

Participant Trends



The graph above shows the number of actives, terminated vested, and retired members covered by the Consolidated Plan and refers to the left side axis of the graph. The black line indicates the covered payroll of actives in this Plan and it refers to the right side axis of the graph. The use of a revised data collection process lead to the reduction in the covered payroll as of June 30, 2013 compared to the previous valuation. The payroll for the current valuation increased very slightly over that of that June 30, 2013 valuation.

There has been about 1.5% per year growth in the active and a 1.9% 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 13.5% per year.

As with many plans 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. While this ratio has been reasonably stable for the Plan since 1999, this ratio may start declining as more and more “baby boomers” retire. While a declining ratio would be a concern in a plan with no prefunding, in the Plan’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.

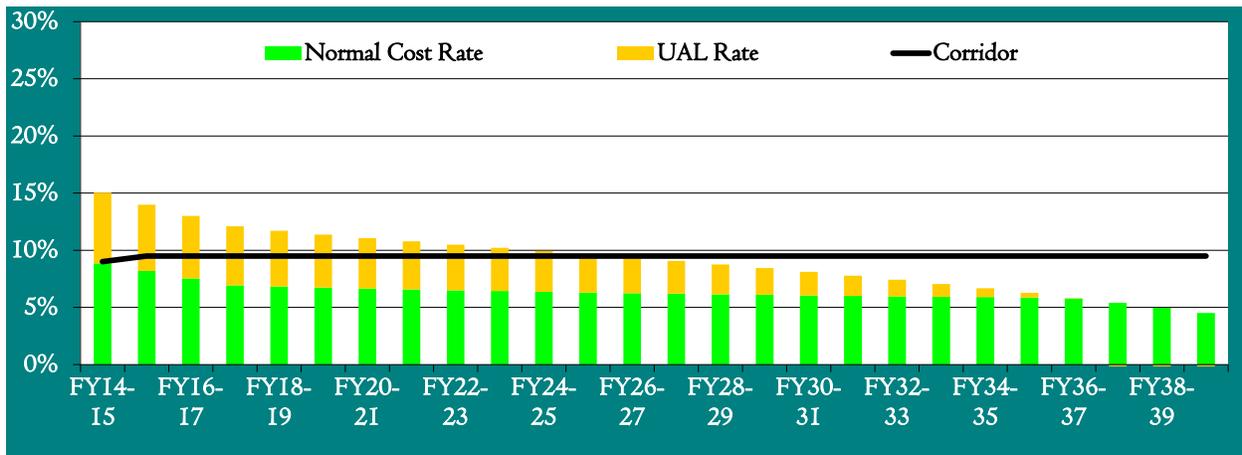
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**SECTION I
BOARD SUMMARY**

Projections

Our analysis of the projected financial trends for the Plan is an important part of this valuation. In this section, we present a sensitivity analysis of future valuation results in terms of benefit security, the previously referenced funding ratio (assets over liabilities), and the expected cost progression for the PLDs. 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

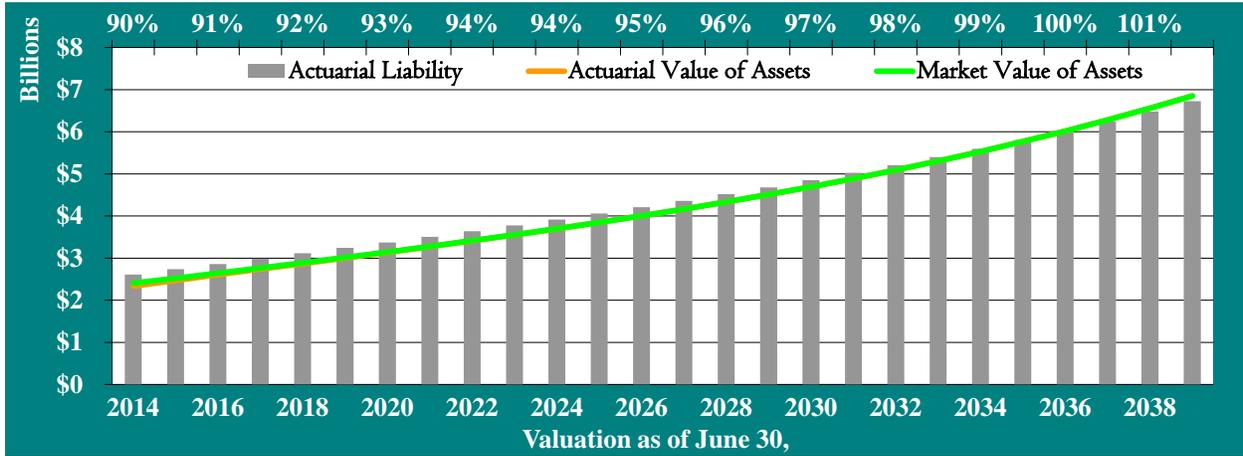


The graph above shows the expected progress of the Plan over the next 25 years assuming the Plan's assets earn 7.25% on their *market value*. The graph also shows that as the UAL is paid down over time, the corridor contribution rate catches up to, and then exceeds, the calculated rate. Both rates are shown as those being in effect for the fiscal year ending in the year identified.

The graph that follows shows the projected funding ratio (actuarial value of assets over the actuarial liabilities) over the next 25 years. It shows that the Plan's funded ratio is projected to increase and reach 100% funding by 2037.

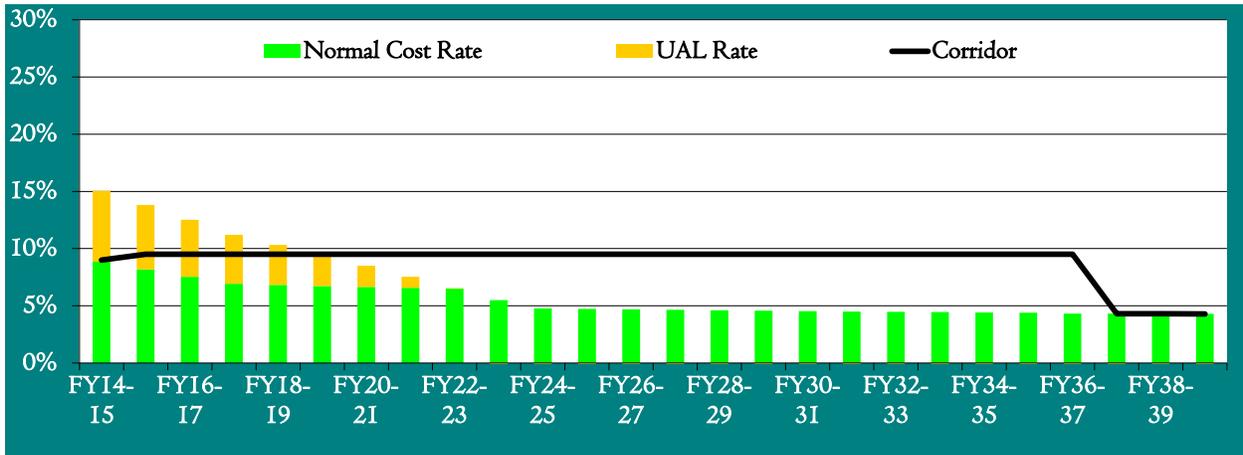
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**SECTION I
BOARD SUMMARY**



Of course this projection assumes all assumptions are exactly met in each and every year. Since that is not likely to occur, we also show projections based on optimistic and pessimistic assumptions.

Projections with Asset Returns of 8.25%

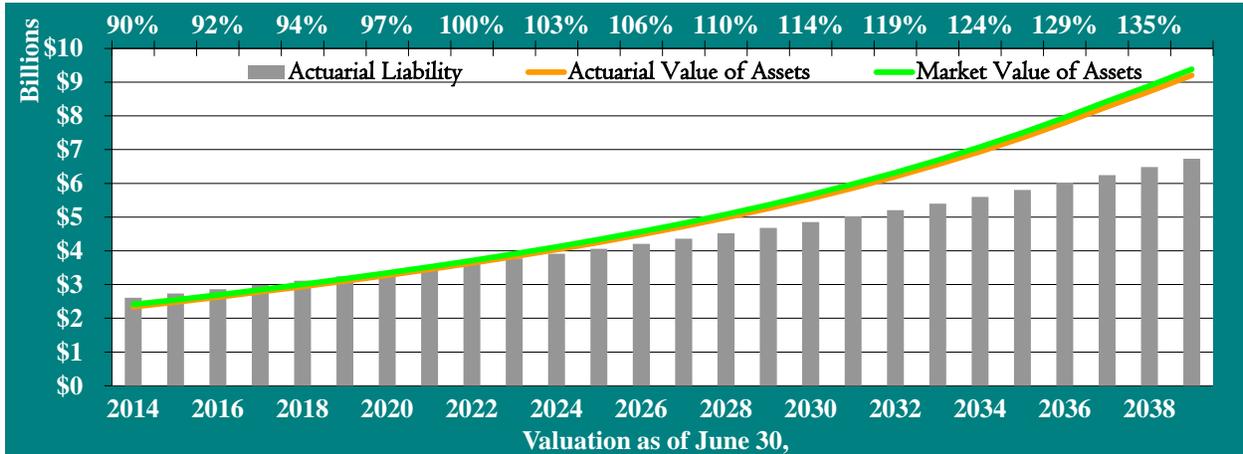


The future funding of this Plan will be largely driven by the investment earnings. Relatively minor changes in the market returns can have significant effects on the Plan’s status. The graph above shows that with an 8.25% annual return in each year while exactly meeting all other assumptions, the aggregate contribution rate produced by the valuation process would decrease to below 5% of payroll, and the corridor method rate would eventually drop to equal the minimum contribution level of 75% of employer normal cost. Under the corridor method, the rate would stay at 9.50% until the plan achieves 130% funding.

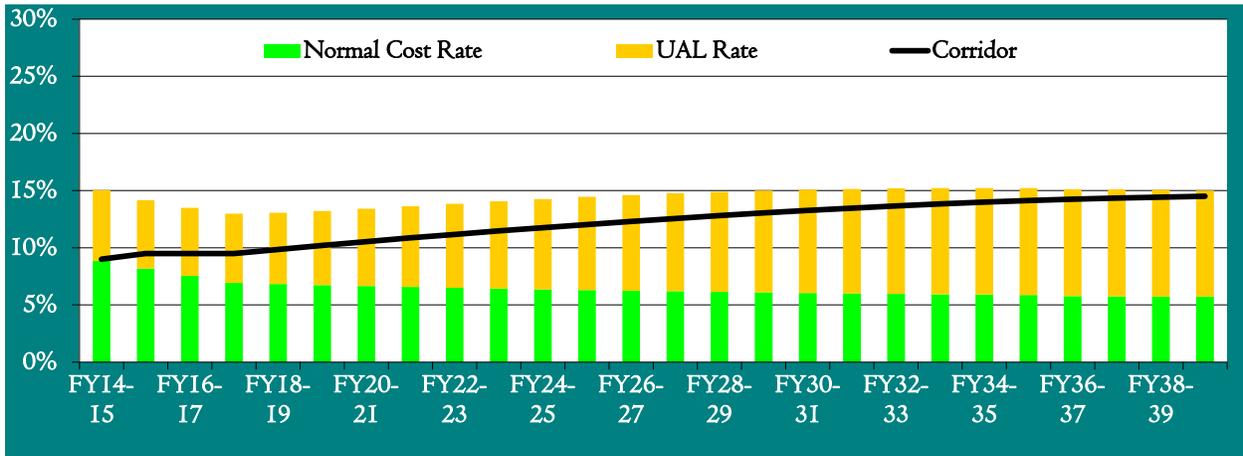
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**SECTION I
BOARD SUMMARY**

Assuming the same 8.25% return on investments, this next graph shows that the Plan's funded ratio steadily increases from 90% to 135% by the end of the period shown.



Projections with Asset Returns of 6.25%

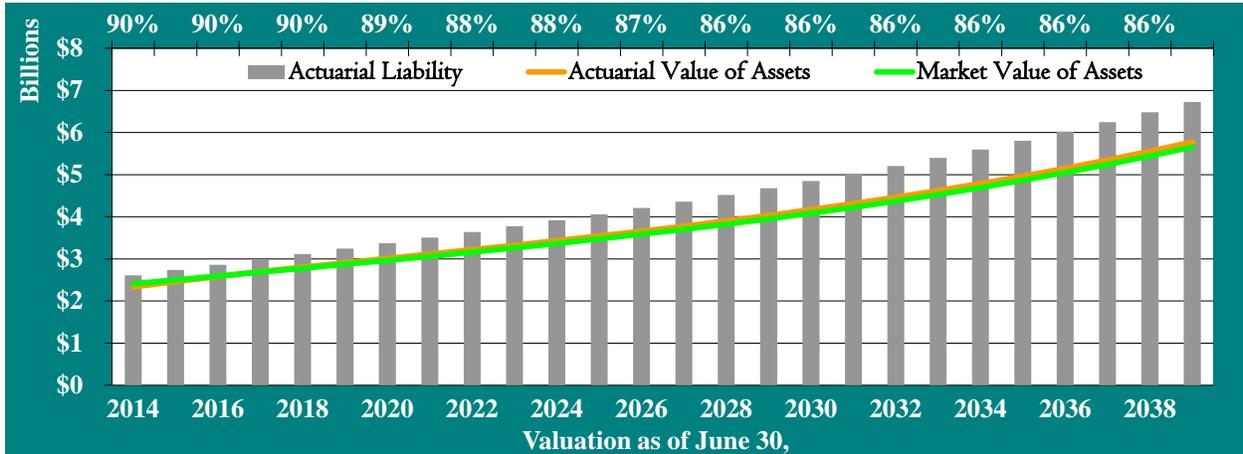


Just as returns in excess of the earnings assumption will lead to declining contributions and an improved funded status, the opposite will occur if actual investment earnings are below the assumed rate. The graph above shows the projections under a 6.25% annual return scenario. The actuarially computed contribution initially drops slightly as past deferred assets gains get recognized. Then the rate starts climbing reflecting the 6.25% returns not meeting assumptions. The corridor rate climbs more steadily, demonstrating the smoothing impact of this method.

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The next graph shows that the Plan's funded ratio would fall to 86%, over the next 25 years with actual returns at 6.25%, one percentage point lower than the assumed rate.



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**SECTION I
BOARD SUMMARY**

**Table I-1
Summary of Principal Results
PLD Consolidated Retirement Plan
Total**

Valuation as of:	June 30, 2013	June 30, 2014	% Change
<u>Participant Counts</u>			
Active Members	11,112	10,848	(2.4%)
Retired Members	5,659	5,853	3.4%
Beneficiaries of Retired Members	1,883	1,898	0.8%
Survivors of Deceased Members	174	174	0.0%
Disabled Members	406	408	0.5%
Terminated "Vested" Members	2,017	2,071	2.7%
Inactives Due Refunds	5,405	6,061	12.1%
Total Membership	26,656	27,313	2.5%
Annual Salaries of Active Members	\$ 458,424,764	\$ 460,029,637	0.4%
Annual Payments to Benefit Recipients	\$ 116,539,396	\$ 123,149,154	5.7%
<u>Assets and Liabilities</u>			
<u>Funding Liability</u>			
Actuarial Liability (AL)	\$ 2,465,934,744	\$ 2,609,657,845	5.8%
Actuarial Value of Assets (AVA)	2,136,036,197	2,335,852,543	9.4%
Unfunded Actuarial Liability	\$ 329,898,546	\$ 273,805,301	(17.0%)
Unpooled Portion (IUUAL)	5,802,929	4,704,974	(18.9%)
Pooled Portion (PUAL)	\$ 324,095,617	\$ 269,100,327	(17.0%)
Actuarial Liability Funding Ratio	86.62%	89.51%	
<u>FASB Accounting Liability</u>			
Accrued Benefit Liability	\$ 2,198,828,548	\$ 2,331,303,883	6.0%
Market Value of Assets (MVA)	2,115,927,011	2,410,493,388	13.9%
Unfunded Accrued Benefit Liability*	\$ 82,901,537	\$ 0	
Accrued Benefit Funding Ratio	96.23%	103.40%	
<u>Aggregate Contribution Rates</u>			
Normal Cost Rate	8.60%	8.86%	
Pooled UAL Rate	7.89%	6.52%	
Total Calculated Rate	16.49%	15.38%	
Corridor Contribution Rate	8.00%	9.00%	

*Limited to be not less than \$0

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS
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ACTUARIAL VALUATION AS OF JUNE 30, 2014

SECTION I
BOARD SUMMARY

Table I-2
Summary of Principal Results
PLD Consolidated Retirement Plan
Regular Plans, AC, AN & BC

Valuation as of:	June 30, 2013	June 30, 2014	% Change
<u>Participant Counts</u>			
Active Members	8,604	8,311	(3.4%)
Retired Members	4,257	4,530	6.4%
Beneficiaries of Retired Members	1,279	1,317	3.0%
Survivors of Deceased Members	150	151	0.7%
Disabled Members	316	321	1.6%
Terminated "Vested" Members	1,786	1,826	2.2%
Inactives Due Refunds	<u>5,125</u>	<u>5,729</u>	11.8%
Total Membership	21,517	22,185	3.1%
Annual Salaries of Active Members	\$ 316,783,140	\$ 317,637,402	0.3%
Annual Payments to Benefit Recipients	\$ 68,727,521	\$ 77,002,863	12.0%
<u>Assets and Liabilities</u>			
<u>Funding Liability</u>			
Actuarial Liability (AL)	\$ 1,484,558,356	\$ 1,622,011,628	9.3%
Actuarial Value of Assets (AVA)	<u>1,286,004,566</u>	<u>1,434,263,826</u>	11.5%
Unfunded Actuarial Liability	\$ 198,553,790	\$ 187,747,802	(5.4%)
Unpooled Portion (IUUAL)	<u>3,057,175</u>	<u>2,376,858</u>	(22.3%)
Pooled Portion (PUAL)	\$ 195,496,614	\$ 185,370,944	(5.2%)
Actuarial Liability Funding Ratio	86.63%	88.43%	
<u>FASB Accounting Liability</u>			
Accrued Benefit Liability	\$ 1,325,575,596	\$ 1,456,639,153	9.9%
Market Value of Assets (MVA)	<u>1,273,897,791</u>	<u>1,480,094,914</u>	16.2%
Unfunded Accrued Benefit Liability*	\$ 51,677,805	\$ 0	
Accrued Benefit Funding Ratio	96.10%	101.61%	
<u>Aggregate Contribution Rates</u>			
	<u>FY 2015</u>	<u>FY 2016</u>	
Normal Cost Rate	8.69%	8.97%	
Pooled UAL Rate	<u>6.88%</u>	<u>6.51%</u>	
Total Calculated Rate	15.57%	15.48%	
Corridor Contribution Rate	7.53%	8.66%	

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SECTION I
BOARD SUMMARY

Valuation as of:	June 30, 2013	June 30, 2014	% Change
Table I-3			
Summary of Principal Results			
PLD Consolidated Retirement Plan			
Special Plans 1C-4C & 1N-4N			
<u>Participant Counts</u>			
Active Members	2,508	2,537	1.2%
Retired Members	1,402	1,323	(5.6%)
Beneficiaries of Retired Members	604	581	(3.8%)
Survivors of Deceased Members	24	23	(4.2%)
Disabled Members	90	87	(3.3%)
Terminated "Vested" Members	231	245	6.1%
Inactives Due Refunds	<u>280</u>	<u>332</u>	18.6%
Total Membership	5,139	5,128	(0.2%)
Annual Salaries of Active Members	\$ 141,641,624	\$ 142,392,235	0.5%
Annual Payments to Benefit Recipients	47,811,875	\$ 46,146,291	(3.5%)
<u>Assets and Liabilities</u>			
<u>Funding Liability</u>			
Actuarial Liability (AL)	\$ 981,376,388	\$ 987,646,217	0.6%
Actuarial Value of Assets (AVA)	<u>850,031,632</u>	<u>901,588,716</u>	6.1%
Unfunded Actuarial Liability	\$ 131,344,756	\$ 86,057,501	(34.5%)
Unpooled Portion (IUUAL)	<u>2,745,754</u>	<u>2,328,117</u>	(15.2%)
Pooled Portion (PUAL)	\$ 128,599,003	\$ 83,729,384	(34.9%)
Actuarial Liability Funding Ratio	86.62%	91.29%	
<u>FASB Accounting Liability</u>			
Accrued Benefit Liability	\$ 873,252,952	\$ 874,664,730	0.2%
Market Value of Assets (MVA)	<u>842,029,219</u>	<u>930,398,473</u>	10.5%
Unfunded Accrued Benefit Liability*	\$ 31,223,733	\$ 0	
Accrued Benefit Funding Ratio	96.42%	106.37%	
<u>Aggregate Contribution Rates</u>			
	<u>FY 2015</u>	<u>FY 2016</u>	
Normal Cost Rate	8.41%	8.62%	
Pooled UAL Rate	<u>10.13%</u>	<u>6.56%</u>	
Total Calculated Rate	18.54%	15.18%	
Corridor Contribution Rate	9.28%	9.93%	

*Limited to be not less than \$0

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**SECTION II
ASSETS**

Pension plan assets play a key role in the financial operation of the Plan 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, 2013 and June 30, 2014
- Statement of the **changes** in market values during the year;
- Development of the **actuarial value of assets**;
- **Allocation** of actuarial value to sub-plans;
- 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 that have been smoothed and are used for evaluating the Plan's ongoing liability to meet its obligations.

Current actuarial methods employed in this Plan set the actuarial value of assets equal to the expected value of the actuarial value of assets plus one-third of the difference between the actual market value of assets and the expected actuarial value of assets. The expected value of the actuarial 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 investment return assumption that was in effect for the previous year, 7.25% for this valuation.

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**SECTION II
ASSETS**

Table II-1		
Changes in Market Value of Total Defined Benefit Plan Assets (All Programs)		
Value of Assets – June 30, 2013		\$ 11,344,181,577
<u>Additions</u>		
Contributions:		
Employer Contributions	\$ 338,638,472	
Employee Contributions	155,005,491	
Transfer	<u>(5,355)</u>	
Total Contributions		\$ 493,638,608
Investment Income:		
Net Appreciation (Depreciation) in Fair Value of Investments	\$ 1,935,254,799	
Interest on Bank Balances	<u>85,641</u>	
Total Investment Income		\$ 1,935,340,440
Investment Activity Expenses:		
Management Fees	\$ (38,448,389)	
Investment Related Expense	(2,680,426)	
Banking Fees	<u>(33,803)</u>	
Total Investment Activity Expenses		\$ (41,162,618)
Net Income from Investing Activities		\$ 1,894,177,822
Total Additions		\$ 2,387,816,430
<u>Deductions</u>		
Retirement Benefits	\$ (738,576,135)	
Disability Benefits	(36,097,331)	
Survivor Benefits	(20,485,341)	
Refunds	(29,192,968)	
Administrative Expenses	<u>(9,324,293)</u>	
Total Deductions		\$ (833,676,068)
<u>Total</u>		
Net Increase (Decrease)		\$ 1,554,140,362
Value of Assets – June 30, 2014		\$ 12,898,321,939

**CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS
OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
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**SECTION II
ASSETS**

Table II-2 Development of Actuarial Value of Assets (All Programs) as of June 30, 2014	
1. Actuarial Value of Assets at June 30, 2013	\$ 11,451,993,550
2. Amount in (1) with Interest to June 30, 2014	12,282,263,082
3. Employer and Member Contributions for the Plan Year Ended June 30, 2014	493,638,608
4. Interest on Contributions Assuming Received Uniformly Throughout the Year to June 30, 2014	17,581,314
5. Disbursements from Trust Except Investment Expenses, July 1, 2012 through June 30, 2014	(824,351,775)
6. Interest on Disbursements Assuming Payments Made Uniformly throughout the Year to June 30, 2014	<u>(29,359,914)</u>
7. Expected Value of Assets at June 30, 2014 = (2) + (3) + (4) + (5) + (6)	\$ 11,939,771,315
8. Actual Market Value of Assets at June 30, 2014	12,898,321,939
9. Excess of (8) Over (7)	958,550,624
10. Recognition of Past Deferred Asset Gains	<u>239,637,656</u>
11. Actuarial Value of Assets at June 30, 2014 = (7) + 33⅓% of (9) + (10)	\$ 12,498,925,846

Actuarial Value of Assets

The actuarial value of assets represents a “smoothed” value developed by the actuary to reduce, or eliminate, volatility in contribution rates that could develop from short-term fluctuations in the market value of assets. For this Plan, the actuarial value has been calculated by adding one-third of the difference between actual market value and expected value of the actuarial value of assets, to the expected value of the actuarial value of assets. The actuarial value of assets in this June 30, 2014 valuation also recognizes an additional amount of past deferred asset gains in order to offset the increase in liability and normal cost from reducing the investment return assumption from 7.25% to 7.125% for the non-PLD Programs. The previous table illustrates the calculation of actuarial value of assets for the June 30, 2014 valuation.

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**SECTION II
ASSETS**

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 that is then applied to the market value of assets attributable to each of the programs. The asset ratio derived in this valuation is 0.969035 ($\$12,498,925,846 \div \$12,898,321,939$). The allocation of actuarial value of assets to each of the System's retirement programs is shown in the following chart.

Table II-3 Allocation of Actuarial Value of Assets as of June 30, 2014		
	Market Value	Actuarial Value
Teachers	\$ 6,899,978,021	\$ 6,686,320,439
State (Regular & Special)	3,437,637,906	3,331,191,567
Judges	57,189,900	55,419,017
Legislators	11,120,032	10,775,701
Participating Local Districts (Consolidated & Non-Consolidated)	<u>2,492,396,080</u>	<u>2,415,219,122</u>
Total Fund	\$ 12,898,321,939	\$ 12,498,925,846

Investment Performance

The market value of assets returned a positive 16.85% during FY 2014. This is higher than the assumed return of 7.25%. The returns in FY 2013 and FY 2012 were positive 11.20% and positive 0.50%, respectively.

On an actuarial value of assets basis, the return for FY 2014 was a positive 12.20%. This return is lower than the return on a market value basis but higher than the 7.25% assumption; therefore, this return gives rise to an investment gain this year.

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**SECTION II
ASSETS**

Table II-4					
Projection of Plan's Benefit Payments and Contributions					
FY Ending June 30,	Expected Benefit Payments	Expected PLD Contributions (based on Corridor Method) Including IUUAL Payments	Expected Member Contributions	Total Expected Contributions	
2015	\$ 134,746,000	\$ 43,498,000	\$ 31,965,000	\$ 75,463,000	
2016	144,730,000	47,394,000	35,506,000	82,900,000	
2017	154,411,000	48,954,000	39,255,000	88,209,000	
2018	163,895,000	49,735,000	40,629,000	90,364,000	
2019	173,371,000	51,460,000	42,051,000	93,511,000	
2020	182,872,000	53,075,000	43,523,000	96,598,000	
2021	192,024,000	54,924,000	45,046,000	99,970,000	
2022	201,434,000	56,567,000	46,623,000	103,190,000	
2023	210,525,000	58,547,000	48,255,000	106,802,000	
2024	219,819,000	60,596,000	49,944,000	110,540,000	

We provide this projection of cash flows 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 over the next ten years.

The expected benefit payments were developed using the data 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 6.84% with increases of 0.5% in FY 16 and 17.

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**SECTION III
LIABILITIES**

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

- **Disclosure** of plan liabilities at June 30, 2013 and June 30, 2014; 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 obligations 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 earn salary increases and accrue benefits under their current plan provisions.
- **Actuarial Liability:** Used for funding calculations and GASB disclosures, this liability is calculated taking PVB above and subtracting the value of accruals that are assigned to future years on a person-by-person basis. This offset is equal to the present value of future Member Contributions and future Employer Normal Costs under an acceptable actuarial funding method. For MainePERS, this method is referred to as the **Entry Age Normal** funding method.
- **Present Value of Accrued Benefits:** Used for communicating the liabilities for benefits accrued as of the valuation date.

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 future 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 an expected shortfall or an expected surplus representing either additional funding or excess funding required on the payroll of new hires to pay for benefits of existing members.

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**SECTION III
LIABILITIES**

Table III-1		
Disclosure of Liabilities		
	June 30, 2013	June 30, 2014
Present Value of Benefits (PVB)		
Active Participant Benefits	\$ 1,572,859,416	\$ 1,656,867,865
Retiree Benefits	1,294,768,728	1,366,128,224
Terminated Vested and Inactive Members	<u>83,297,020</u>	<u>95,903,604</u>
Total PVB	\$ 2,950,925,164	\$ 3,118,899,693
Market Value of Assets (MVA)	\$ 2,115,927,011	\$ 2,410,493,388
Future Employee Contributions	215,598,447	232,911,489
Future PLD Contributions at 8%		
Fixed Rate '13; 9% in '14	271,341,836	304,910,110
Projected (Surplus)/Shortfall	<u>348,057,871</u>	<u>170,584,706</u>
Total Resources	\$ 2,950,925,164	\$ 3,118,899,693
Actuarial Liability		
Present Value of Benefits (PVB)	\$ 2,950,925,164	\$ 3,118,899,693
Present Value of Future Normal Costs (PVFNC)		
Employer Portion	269,391,973	276,330,358
Employee Portion	<u>215,598,447</u>	<u>232,911,489</u>
Actuarial Liability (AL = PVB – PVFNC)	\$ 2,465,934,744	\$ 2,609,657,846
Actuarial Value of Assets (AVA)	<u>2,136,036,197</u>	<u>2,335,852,543</u>
Net (Surplus)/Unfunded (AL – AVA)	\$ 329,898,546	\$ 273,805,302
Present Value of Accrued Benefits		
Present Value of Benefits (PVB)	\$ 2,950,925,164	\$ 3,118,899,693
Present Value of Future Benefit Accruals (PVFBA)	<u>752,096,616</u>	<u>787,595,810</u>
Accrued Liability (PVAB = PVB – PVFBA)	\$ 2,198,828,548	\$ 2,331,303,883
Market Value of Assets (MVA)	<u>2,115,927,011</u>	<u>2,410,493,388</u>
Net (Surplus)/Unfunded (PVAB – MVA)	\$ 82,901,537	(\$ 79,189,505)

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**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 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.

Table III-2			
	Present Value of Benefits	Actuarial Liability	Present Value of Accrued Benefits
Liabilities 06/30/2013	\$ 2,950,925,164	\$ 2,465,934,744	\$ 2,198,828,548
Liabilities 06/30/2014	<u>3,118,899,693</u>	<u>2,609,657,846</u>	<u>2,331,303,883</u>
Liability Increase (Decrease)	\$ 167,974,529	\$ 143,723,102	\$ 132,475,335
Change Due to:			
Plan Amendment	\$ 0	\$ 0	\$ 0
Method Change	0	0	0
Actuarial (Gain)/Loss	N/C	\$ 19,939,857	N/C
Benefits Accumulated and Other Sources	\$ 167,974,529	\$ 123,783,245	\$ 132,475,335

N/C = Not calculated

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**SECTION IV
CONTRIBUTIONS**

General Comments

Under established procedures, employer contribution rates based on this June 30, 2014 Actuarial Valuation Report are used to determine Fiscal Year 2016 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 Initial Unpooled Unfunded Actuarial Liability (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

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**SECTION IV
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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.

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 the employer contribution rates applicable for determining the Fiscal Year 2016 contributions to the Plan.

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SECTION IV
CONTRIBUTIONS

Table IV-1
Consolidated Plan for Participating Local Districts
of the Maine Public Employees Retirement System
June 30, 2014
Development of Pooled UAL Rate

	Regular Plans	Special Plans	Total
1. Present Value of Benefits	\$ 1,942,422,753	\$ 1,176,476,939	\$ 3,118,899,692
2. Present Value of Future Contributions			
a. Employer Normal Cost	173,750,380	102,579,978	276,330,358
b. Employee Contributions	<u>146,660,745</u>	<u>86,250,744</u>	<u>232,911,489</u>
3. Actuarial Liability (1) – (2)	\$ 1,622,011,628	\$ 987,646,217	\$ 2,609,657,845
4. Actuarial Value of Assets			
a. Total Invested Assets	\$ 1,466,783,493	\$ 912,962,636	\$ 2,379,746,129
b. IUUAL Surpluses in Individual PLD Accounts	<u>32,519,667</u>	<u>11,373,920</u>	<u>43,893,587</u>
c. Valuation Assets (a) – (b)	\$ 1,434,263,826	\$ 901,588,716	\$ 2,335,852,542
5. Unfunded Actuarial Liability			
a. Total Unfunded Liability (3) – (4c)	\$ 187,747,802	\$ 86,057,501	\$ 273,805,303
b. Individual PLD Unpooled Liability (IUUAL)	<u>2,376,858</u>	<u>2,328,117</u>	<u>4,704,974</u>
c. Pooled Unfunded Actuarial Liability (a) – (b)	\$ 185,370,944	\$ 83,729,384	\$ 269,100,329
6. Amortization over 15 Years	\$ 20,675,284	\$ 9,338,728	\$ 30,014,011
7. Payroll	\$ 317,637,402	\$ 142,392,235	\$ 460,029,637
8. Pooled Unfunded Actuarial Liability Contribution Rate	6.51%	6.56%	6.52%

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**SECTION IV
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Table IV-2 Development of Aggregate Contribution Rates Fiscal Year 2016			
	Regular Plans	Special Plans	Total
Normal Cost Rate	9.47%	9.12%	9.36%
Pooled UAL Rate	<u>6.51%</u>	<u>6.56%</u>	<u>6.52%</u>
Total Calculated Rate	15.98%	15.68%	15.88%
Corridor Contribution Rate	8.66%	9.93%	9.00%

Table IV-3 Consolidated Plan for Participating Local Districts of the Maine Public Employees Retirement System Employer Contribution Rates* Fiscal Year 2016		
	Normal Cost**	Actual Rates For FY 2016
<u>Plans with COLA</u>		
Regular Employees Plan AC	9.2%	8.9%
Regular Employees Plan BC	6.8%	5.8%
Special Plan 1C	12.8%	14.0%
Special Plan 2C	7.7%	8.9%
Special Plan 3C	9.5%	11.4%
Special Plan 4C	5.5%	7.6%
<u>Plans with No COLA</u>		
Regular Employees Plan AN	6.6%	5.6%
Special Plan 1N	8.4%	8.7%
Special Plan 2N	4.6%	5.2%
Special Plan 3N	7.3%	7.0%
Special Plan 4N	2.8%	4.4%

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

** Includes costs of ancillary benefits.

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**SECTION V
ACCOUNTING STATEMENT INFORMATION**

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.

For informational purposes we also show the Plan's funded status under the Financial Accounting Standards Board ASC Topic 960 which discloses how assets compare to liabilities if contributions were to stop 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 all plans in the Consolidated Plan were to terminate. FASB ASC Topic 960 specifies that a comparison of the present value of accrued (accumulate) benefits with the market value of the assets as of the valuation date must be provided. The relevant amounts as of June 30, 2013 and June 30, 2014 are exhibited in Table V-1, along with a reconciliation between the two dates.

Prior to the current plan year, Statement No. 25 of the Governmental Accounting Standards Board (GASB) established standards for disclosure of pension information by the public employee retirement systems (PERS) and Statement No. 27 established similar standards for governmental employers who sponsor PERS in their notes to financial statements and supplementary information.

GASB No. 25 was replaced by GASB No. 67 effective June 30, 2014 for the Maine Public Employees Retirement System (MainePERS) disclosures. We have prepared the following exhibits under the provisions of GASB Statement No. 67:

- Table V-1: Accrued Benefits Information
- Table V-2: Schedule of Changes in Net Pension Liability and Related Ratios
- Table V-3: Sensitivity of Net Pension Liability to Changes in Discount Rate
- Table V-4: Schedule of Employer Contributions
- Table V-5: Analysis of Financial Experience
- Table V-6: Solvency Test

While GASB No. 25 is no longer applicable for the MainePERS disclosures, the requirements of GASB Statement No. 27 currently remain in effect for employers. For employers with June 30 fiscal years, GASB No. 68 will replace GASB No. 27 effective for the fiscal year ending June 30, 2015.

A summary of the terminology used in GASB Statements 67 and 68 is provided in Appendix E of this report.

Tables V-5 and V-6 are exhibits required for the System's Comprehensive Annual Financial Report. Table V-5 is a history of gains and losses in Accrued Liability, and Table V-6 is the Solvency Test, which shows the portion of Accrued Liability covered by Assets.

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**SECTION V
ACCOUNTING STATEMENT INFORMATION**

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.

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SECTION V
ACCOUNTING STATEMENT INFORMATION

Table V-1		
Accrued Benefits Information		
	June 30, 2013	June 30, 2014
FASB ASC Topic 960 Basis		
1. Present Value of Benefits Accrued to Date		
a. Members Currently Receiving Payments	\$ 1,294,768,728	\$ 1,366,128,224
b. Vested Terminated	83,297,020	95,903,604
c. Active Members	<u>820,762,800</u>	<u>869,272,055</u>
d. Total PVAB	\$ 2,198,828,548	\$ 2,331,303,883
2. Assets at Market Value	<u>2,115,927,011</u>	<u>2,410,493,388</u>
3. Unfunded Present Value of Accrued Benefits, But Not Less Than Zero	\$ 82,901,537	(\$ 79,189,505)
4. Ratio of Assets to Value of Benefits (2) / (1)(d)	96.23%	103.40%
Change in Present Value of Benefits Accrued to Date		
Increase (Decrease) During Years Attributable to:		
Passage of Time	\$ 154,805,471	
Benefits Paid – FY 2014	(127,161,357)	
Assumption Change	0	
Plan Changes	0	
Benefits Accrued, Other Gains/Losses	<u>104,831,221</u>	
Net Increase (Decrease)	\$ 132,475,335	

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SECTION V
ACCOUNTING STATEMENT INFORMATION

Table V-2 below shows the changes in the Total Pension Liability, the Plan Fiduciary Net Position, (i.e., fair value of Plan assets), and the Net Pension Liability during the Measurement Year as calculated under the provisions of GASB Statement No. 67.

There were no changes in benefits or assumption or methodology changes during the year.

Table V-2	
Schedule of Changes in Net Pension Liability and Related Ratios	
	Total Consolidated PLDs
<u>Total Pension Liability</u>	
Service Cost	\$ 72,651,025
Interest (includes interest on service cost)	178,293,576
Changes of Benefit Terms	0
Differences Between Actual and Expected Experience	19,939,857
Changes of Assumptions	0
Benefit Payments, Including Refunds of Member Contributions	<u>(127,161,357)</u>
Net Change in Total Pension Liability	143,723,101
Beginning Total Pension Liability	<u>2,465,934,744</u>
Ending Total Pension Liability	<u>\$2,609,657,845</u>
<u>Plan Fiduciary Net Position</u>	
Employer Contributions	\$ 65,916,669
Member Contributions	33,210,510
Net Investment Income	327,914,669
Benefit Payments, Including Refunds of Member Contributions	(127,161,357)
Administrative Expense	<u>(1,779,306)</u>
Net Change in Plan Fiduciary Net Position	\$ 298,101,185
Beginning Plan Fiduciary Net Position	<u>2,157,675,486</u>
Ending Plan Fiduciary Net Position	<u>\$2,455,776,671</u>
Ending Net Pension Liability	<u>\$ 153,881,174</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	94.10%
Covered Employee Payroll	\$ 460,029,637
Net Pension Liability as a Percentage of Covered Payroll	33.45%

Total contributions and investment income exceeded the service cost, interest cost, and administrative expenses, resulting in a decrease in the net Pension Liability (NPL) of approximately \$154 million. The NPL remaining as of June 30, 2014, is also approximately \$154 million.

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**SECTION V
ACCOUNTING STATEMENT INFORMATION**

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

Table V-3			
Sensitivity of Net Pension Liability to Changes in Discount Rate			
	1% Decrease 6.25%	Discount Rate 7.25%	1% Increase 8.25%
Total Pension Liability	\$ 2,935,840,542	\$ 2,609,657,845	\$ 2,337,009,630
Plan Fiduciary Net Position	<u>2,455,776,671</u>	<u>2,455,776,671</u>	<u>2,455,776,671</u>
Net Pension Liability	<u>\$ 480,063,871</u>	<u>\$ 153,881,174</u>	<u>\$ (118,767,041)</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	83.6%	94.1%	105.1%

A one percent decrease in the discount rate increases the TPL by approximately 13% and increases the NPL by approximately 212%. A one percent increase in the discount rate decreases the TPL by approximately 10% and decreases the NPL by approximately 177%.

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SECTION V
ACCOUNTING STATEMENT INFORMATION

Table V-4	
Schedule of Employer Contributions	
Last 10 Fiscal Years	
Exhibit Will Build to Reach 10 Years Starting with 2014	
	Total Consolidated PLDs
Actuarially Determined Contribution (ADC)	\$ 65,916,669
Contributions in Relation to the ADC	<u>65,916,669</u>
Contribution Deficiency/(Excess)	<u>\$ 0</u>
Covered-Employee Payroll	\$ 460,029,637
Contributions as a Percentage of Covered-Employee Payroll	14.33%

Notes to Schedule

Valuation Date 6/30/2014
 Timing Actuarially determined contribution rates are calculated based on the 2012 actuarial valuation.

Key Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method Entry Age Normal
 Asset valuation method 3-year smoothed market
 Amortization method Corridor method, amortize liability outside of 90% corridor over an open 15 year period with level % of payroll. Moving towards full actuarial funding.

Discount rate 7.25%
 Amortization growth rate 3.50%
 Price inflation 3.50%
 Salary increases 3.50% plus merit component based on employee's years of service
 Mortality Sex distinct RP-2000 Combined Mortality projected to 2015 using Scale AA

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SECTION V
ACCOUNTING STATEMENT INFORMATION

A complete description of the methods and assumptions used to determine contribution rates for the year ending June 30, 2014 can be found in the June 30, 2012 actuarial valuation report.

Table V-5						
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 Ended June 30, 2009	Gain (or Loss) for Year Ended June 30, 2010	Gain (or Loss) for Year Ended June 30, 2011	Gain (or Loss) for Year Ended June 30, 2012	Gain (or Loss) for Year Ended June 30, 2013	Gain (or Loss) for Year Ended June 30, 2014
Type of Activity						
Investment Income	\$(201,290,398)	\$(126,894,734)	\$ (642,960)	\$ (40,860,595)	\$ (26,747,451)	\$ 110,262,333
Combined Liability Experience	<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>	<u>(19,939,857)</u>
Gain (or Loss) During Year from Financial Experience	\$(216,250,218)	\$(105,382,359)	\$ (3,245,979)	\$ (85,952,008)	\$ (47,032,048)	\$ 90,322,476
Non-Recurring Items	<u>27,744,658</u>	<u>0</u>	<u>(48,704,140)</u>	<u>4,567,558</u>	<u>52,024,637</u>	<u>0</u>
Composite Gain (or Loss) During Year	\$ (188,505,560)	\$ (105,382,359)	\$ (51,950,119)	\$ (81,384,450)	\$ 4,992,589	\$ 90,322,476

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SECTION V
ACCOUNTING STATEMENT INFORMATION

Table V-6										
Solvency Test										
Aggregate Accrued Liabilities For										
Valuation Date June 30,	(1) Active Member Contributions		(2) Retirees Vested Terms, Beneficiaries		(3) Active Members (Employer Financed Portion)		Reported Assets			
							Portion of Accrued Liabilities Covered by Reported Assets			
		(1)	(2)	(3)				(1)	(2)	(3)
2014	\$	423,097,001	\$	1,462,031,828	\$	724,529,016	\$2,335,852,543	100%	100%	62%
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

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**APPENDIX A
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PLD Name	PLD #	Regular Plan	Special Plan	Special Plan	COLA	Entry Date	FO COLA Date
Androscoggin County	0067	A ¹	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, City of	0027	A	2	3 ²	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	
Augusta Housing Authority	0351	A			Yes	4/1/2014	
Baileysville, Town of	0069	A	3		Yes	7/1/1996	
Bangor Housing Authority	0288	A			Yes	7/1/1994	
Bangor Public Library	0022	A			Yes	7/1/1996	
Bangor Water District	0059	B ³			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 ⁴		FO	7/1/1996	7/1/2008
Bethel, Town of	0246	A			Yes	7/1/1996	
Biddeford, City of	0158	A	3 ⁵		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 ⁶	2		Yes	7/1/1996	

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PLD Name	PLD #	Regular Plan	Special Plan	Special Plan	COLA	Entry Date	FO COLA Date
Bridgton Water District	0253	A			No	7/1/1996	
Brownville, Town of	0177	A			No	7/1/2010	
Brunswick Fire and Police	0292	A	1 ⁷	3 ⁷	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 ⁸		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 ⁹			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 ¹⁰			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 ¹¹		Yes	7/1/1996	
Cumberland, Town of	0216	A	2		Yes	7/1/1995	
Damariscotta, Town of	0191	A			Yes	7/1/2011	
Dayton, Town of	0355	A			Yes	7/1/2014	
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	

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PLD Name	PLD #	Regular Plan	Special Plan	Special Plan	COLA	Entry Date	FO COLA Date
Easton, Town of	0240	A			Yes	7/1/1994	
Eliot, Town of	0180	A	1 ¹²		Yes	7/1/1994	
Ellsworth, City of	0013	A	4		Yes	7/1/1995	
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 ¹²		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	3 ¹³		Yes	7/1/2006	
Freeport, Town of	0142	A	2 ¹⁰		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 ¹⁴	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 ¹⁵		FO	7/1/1996	7/1/2009
Hancock County	0056	A			Yes	7/1/1994	

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PLD Name	PLD #	Regular Plan	Special Plan	Special Plan	COLA	Entry Date	FO COLA Date
Hancock, Town of	0353	A			Yes	7/1/2014	
Harpswell, Town of	0270	A			Yes	7/1/1994	
Harrison, Town of	0280	B ¹⁶			Yes	7/1/1994	
Hermon, Town of	0150	A			No	7/1/1996	
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 ⁸		Yes	7/1/1996	
Jackman Utility District	0294	A			Yes	7/1/1996	
Jay, Town of	0045	A	2 ¹⁷		Yes	7/1/1994	
Kennebec County	0047	A	2		Yes	7/1/1995	
Kennebec Sanitary Treatment District	0220	A			FO	7/1/1995	7/1/1995
Kennebec 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 ¹⁸		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 ¹⁹		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	

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PLD Name	PLD #	Regular Plan	Special Plan	Special Plan	COLA	Entry Date	FO COLA Date
Lincoln County Sheriffs	0302	A	2 ¹⁰		Yes	7/1/2003	
Lincoln Sanitary District	0219	A			Yes	7/1/1994	
Lincoln Water District	0092	A			Yes	7/1/1995	
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 School of Science and Mathematics	0352	A			Yes	7/1/2014	
Maine State Housing Authority	0169	A			Yes	7/1/2005	
Maine Turnpike Authority	0049	A			Yes	7/1/1994	
Maine Veterans Home	0271	A			Yes	7/1/1994	
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	

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PLD Name	PLD #	Regular Plan	Special Plan	Special Plan	COLA	Entry Date	FO COLA Date
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 ²⁰			Yes	7/1/1996	
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 ¹⁰			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	
Northern Oxford Regional Solid Waste Board	0354	A			Yes	7/1/2014	
Norway Water District	0136	A			FO	7/1/1995	7/1/2000
Norway, Town of	0125	A			FO	7/1/1996	7/1/2000
Old Orchard Beach, Town of	0140	A	2	3/1 ²¹	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 ²²	3	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 ²³		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

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PLD Name	PLD #	Regular Plan	Special Plan	Special Plan	COLA	Entry Date	FO COLA Date
Oxford County	0057	A ¹⁰	2		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	
Penquis Cap Inc	0237	A			No	7/1/1995	
Phippsburg, Town of	0202	A	3 ²⁴		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	

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PLD Name	PLD #	Regular Plan	Special Plan	Special Plan	COLA	Entry Date	FO COLA Date
Richmond, Town of	0213	A			Yes	7/1/2007	
Richmond Utilities District	0242	A			No	7/1/1994	
Rockland, City of	0018	A	3		Yes	7/1/1995	
Rockport, Town of	0161	A			No	7/1/1996	
Rumford Fire and Police	0060	A	2 ²⁵	4	Yes	7/1/1995	
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 ²⁶	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 ²⁷	2 ²⁷	FO	7/1/1995	7/1/2002
Scarborough, Town of	0147	A	3 ²⁸	1 ²⁸	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	0126	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	

**CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS
OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
ACTUARIAL VALUATION AS OF JUNE 30, 2014**

**APPENDIX A
PARTICIPATING LOCAL DISTRICT PLAN ELECTIONS**

PLD Name	PLD #	Regular Plan	Special Plan	Special Plan	COLA	Entry Date	FO COLA Date
So Portland Housing Authority	0206	A			Yes	7/1/1996	
Somerset County	0101	A			Yes	7/1/2005	
South Berwick Sewer District	0299	A ¹⁰			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
South Portland, City of	0009	A	3 ²⁹		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 ³⁰			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 ³¹		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	

**CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS
OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
ACTUARIAL VALUATION AS OF JUNE 30, 2014**

**APPENDIX A
PARTICIPATING LOCAL DISTRICT PLAN ELECTIONS**

PLD Name	PLD #	Regular Plan	Special Plan	Special Plan	COLA	Entry Date	FO COLA Date
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	
Winslow, Town of	0144	A ³²			Yes	7/1/1996	
Winter Harbor Utility District	0250	A			Yes	7/1/1995	
Winterport Water & Sewer Districts	0306	A ³⁰			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 ³³		Yes	7/1/1996	
York County	0037	A	2 ³⁴	1 ³⁴	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 ³⁰		Yes	7/1/1994	

**CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS
OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
ACTUARIAL VALUATION AS OF JUNE 30, 2014**

**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.

- ¹ Employees hired prior to July 1, 1997 and who are members of the Plan are covered under Plan 1. Corrections Officers and Law Enforcement Officers hired on or after July 1, 1997 are covered under Plan 2. All other employees hired on or after July 1, 1997 will be covered under Regular Plan A.
- ² Plan 3C applicable for future service only from July 1, 2014 for Firefighters hired after July 1, 1989.
- ³ 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.
- ⁴ Applicable for future service only for Police Officers from July 1, 2008 and for future service only for Firefighters from July 1, 2010.
- ⁵ Applicable for future service only rendered by Law Enforcement Officers from July 1, 2003. Applicable for future service only rendered by Firefighters from July 1, 2007.
- ⁶ 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 as of that date.
- ⁷ Plan 1 applicable to Police Officers for future service only after January 1, 2010 and Plan 3 applicable to Firefighters for future service only after January 1, 2010. Some grandparented Police Officers and Firefighters receive all service in Plan 1.
- ⁸ Applicable for future service only rendered by the Town's Firefighters and Police Officers from July 1, 2001.
- ⁹ Applicable for future service only from July 1, 2000.
- ¹⁰ Applicable for future service only from July 1, 2003.
- ¹¹ Applicable for future service only rendered by the County's Police Officers from July 1, 2008.
- ¹² Applicable for future service of Police Officers, effective July 1, 2006.
- ¹³ Plan 3 applicable for future service only for Police Officers from January 1, 2014.
- ¹⁴ Greater Augusta Utility District (P0311) was formed by the merger of the Augusta Water District (former P0034) and the Augusta Sanitary District (former P0064).

**CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS
OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
ACTUARIAL VALUATION AS OF JUNE 30, 2014**

**APPENDIX A
PARTICIPATING LOCAL DISTRICT PLAN ELECTIONS**

- ¹⁵ Applicable for future service only for the Town's Firefighters and Police Officers, effective July 1, 2009.
- ¹⁶ 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.
- ¹⁷ Applicable for future service only for the Town's Police Officers, effective January 1, 2012.
- ¹⁸ Applicable to all service for Police Officers and for future service only of Firefighters rendered from July 1, 2008.
- ¹⁹ Applicable for future service only of Police Officers, effective July 1, 2007.
- ²⁰ Withdrew from Plan for new members, effective July 31, 2004.
- ²¹ Plan 3 for future service only after January 1, 2010 of Police Officers hired on or after October 12, 1992. Plan 1 for future service only after January 1, 2010 for Police Officers hired prior to October 1, 1992.
- ²² Plan 2 applicable for future service only for Firefighters and Police Officers effective January 1, 2014.
- ²³ Applicable to future service only rendered by the Town's Firefighters and Police Officers from July 1, 2005. Prior service was credited under Special Plan 4C.
- ²⁴ Applicable for future service only rendered by the Town's Police Officers from July 1, 2007.
- ²⁵ Plan 2 applicable for future service only for Firefighters from January 1, 2014.
- ²⁶ Applicable to future service only rendered by the Law Enforcement Officers from July 1, 2002.
- ²⁷ Plan 1 is applicable for future service only rendered by Firefighters from July 1, 2002. Plan 2 for Police Officers hired on or after July 1, 2014.
- ²⁸ Plan 3 is applicable for future service only rendered by the Town's Firefighters from July 1, 2014. Firefighters who were covered under Plan 1 could make an irrevocable election to remain in Plan 1.
- ²⁹ 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. Police hired on after July 1, 2014 covered by Plan 2.
- ³⁰ Applicable for future service only from July 1, 2005.
- ³¹ Applicable for future service only rendered by the Town's Firefighters from July 1, 2005.
- ³² Withdrew from Plan for new members effective July 1, 2004.

**CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS
OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
ACTUARIAL VALUATION AS OF JUNE 30, 2014**

**APPENDIX A
PARTICIPATING LOCAL DISTRICT PLAN ELECTIONS**

- ³³ Applicable to all future service rendered by Police Officers after January 1, 2010.
- ³⁴ Plan 1 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. Police Officers hired on or after July 1, 2014 covered by Plan 2.

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS
OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
ACTUARIAL VALUATION AS OF JUNE 30, 2014

APPENDIX B
MEMBERSHIP INFORMATION

Active Member Data as of June 30, 2014	
Regular Plans Members	
Count	8,311
Average Current Age	47.96
Average Service	9.35
Average Valuation Pay	\$ 38,219
Special Plans Members	
Count	2,537
Average Current Age	41.47
Average Service	11.08
Average Valuation Pay	\$ 56,126
All Plans Members	
Count	10,848
Average Current Age	46.45
Average Service	9.76
Average Valuation Pay	\$ 42,407

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS
OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
ACTUARIAL VALUATION AS OF JUNE 30, 2014

**APPENDIX B
MEMBERSHIP INFORMATION**

Participating Local Districts of the Maine Public Employees Retirement System Non-Active Member Data as of June 30, 2014 Regular Plan			
	Count	Total Annual Benefit	Average Annual Benefit
Retired	4,530	\$ 60,287,290	\$ 13,308
Retired - Concurrent Beneficiaries	358	1,260,342	3,521
Disabilities/1122	34	384,764	11,317
Disabilities/3 and 3A	287	5,590,254	19,478
Beneficiaries	959	8,571,399	8,938
Pre-Retirement Death Benefits	151	908,813	6,019
Terminated Vested	1,826	7,098,113	3,887
Inactive Due Refund	5,729		

Participating Local Districts of the Maine Public Employees Retirement System Non-Active Member Data as of June 30, 2014 Special Plan			
	Count	Total Annual Benefit	Average Annual Benefit
Retired	1,323	\$ 38,141,632	\$ 28,830
Retired - Concurrent Beneficiaries	342	1,990,255	5,819
Disabilities/1122	27	530,052	19,632
Disabilities/3 and 3A	60	1,738,532	28,976
Beneficiaries	239	3,591,806	15,028
Pre-Retirement Death Benefits	23	154,013	6,696
Terminated Vested	245	2,128,633	8,688
Inactive Due Refund	332		

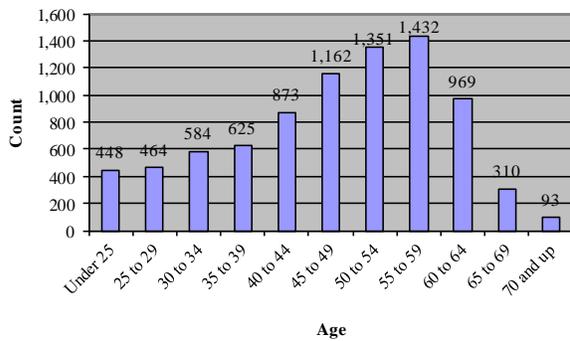
**CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS
OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
ACTUARIAL VALUATION AS OF JUNE 30, 2014**

**APPENDIX B
MEMBERSHIP INFORMATION**

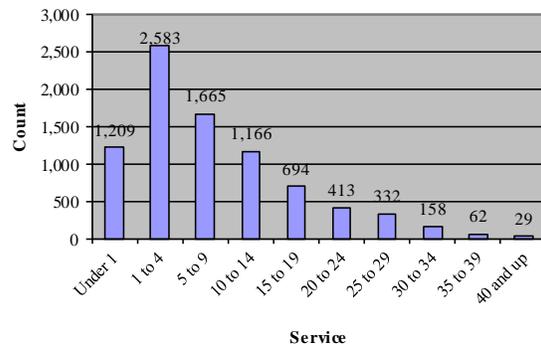
**Distribution of Active Members
As of June 30, 2014**

	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	292	144	12	0	0	0	0	0	0	0	448
25 to 29	134	253	76	1	0	0	0	0	0	0	464
30 to 34	129	268	142	44	1	0	0	0	0	0	584
35 to 39	105	271	148	75	26	0	0	0	0	0	625
40 to 44	133	302	214	151	54	15	4	0	0	0	873
45 to 49	149	365	267	162	119	60	38	2	0	0	1,162
50 to 54	106	393	297	214	129	82	91	34	5	0	1,351
55 to 59	85	322	279	266	162	122	99	61	34	2	1,432
60 to 64	49	178	174	182	145	89	71	42	20	19	969
65 to 69	17	64	45	55	46	37	24	13	3	6	310
70 and up	10	23	11	16	12	8	5	6		2	93
Total	1,209	2,583	1,665	1,166	694	413	332	158	62	29	8,311

Age Distribution



Service Distribution



**CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS
OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
ACTUARIAL VALUATION AS OF JUNE 30, 2014**

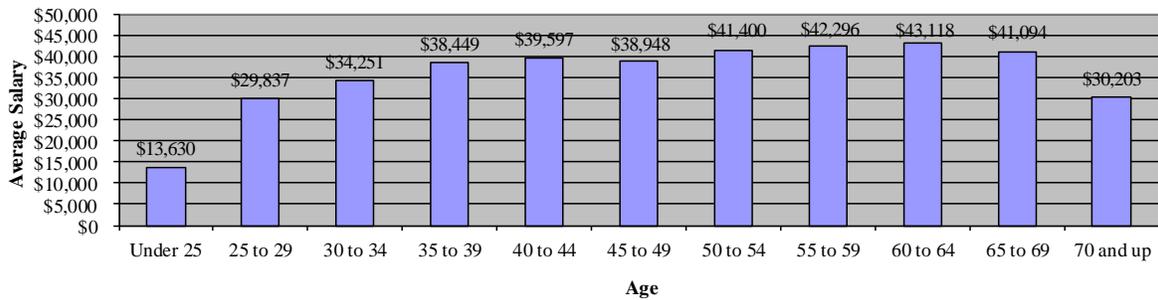
**APPENDIX B
MEMBERSHIP INFORMATION**

**Distribution of Active Members
As of June 30, 2014**

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	\$ 6,389	\$ 27,309	\$ 25,696	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 13,630
25 to 29	13,816	35,812	38,009	43,998	0	0	0	0	0	0	0	29,837
30 to 34	14,952	37,825	42,805	40,994	54,389	0	0	0	0	0	0	34,251
35 to 39	15,830	40,316	46,861	43,986	46,471	0	0	0	0	0	0	38,449
40 to 44	16,384	41,272	43,319	47,021	48,248	49,565	51,435	0	0	0	0	39,597
45 to 49	15,471	38,184	40,824	43,463	49,295	51,179	53,570	50,624	0	0	0	38,948
50 to 54	15,763	39,412	42,613	43,938	45,570	49,429	53,294	49,037	52,738	0	0	41,400
55 to 59	16,782	38,338	42,046	42,072	43,412	50,581	52,877	55,382	57,341	54,090	0	42,296
60 to 64	18,204	37,268	43,342	43,123	45,373	48,345	48,255	58,349	56,483	51,442	0	43,118
65 to 69	9,400	37,377	39,384	45,414	39,075	45,547	48,272	56,089	45,743	68,278	0	41,094
70 and up	14,377	23,326	18,356	32,136	50,255	33,197	44,868	45,660	-	22,779	0	30,203
Average	\$ 13,304	\$ 37,883	\$ 42,212	\$ 43,518	\$ 45,569	\$ 49,133	\$ 51,611	\$ 54,434	\$ 56,132	\$ 53,131	\$	\$ 38,219

Average Salary Distribution



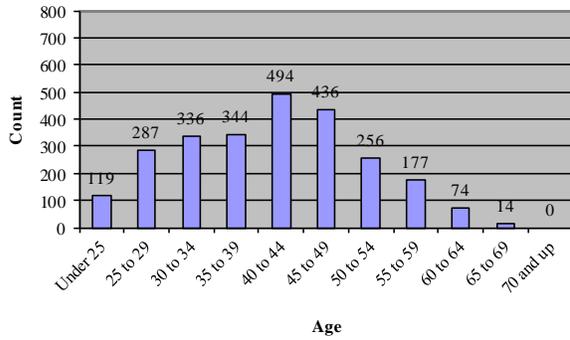
**CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS
OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
ACTUARIAL VALUATION AS OF JUNE 30, 2014**

**APPENDIX B
MEMBERSHIP INFORMATION**

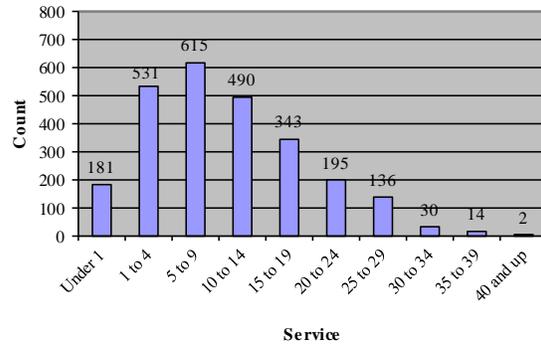
**Distribution of Active Members
As of June 30, 2014**

	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	60	59		0	0	0	0	0	0	0	119
25 to 29	55	156	76	0	0	0	0	0	0	0	287
30 to 34	26	106	163	41	0	0	0	0	0	0	336
35 to 39	14	72	104	125	28	1	0	0	0	0	344
40 to 44	12	58	105	146	147	26	0	0	0	0	494
45 to 49	10	42	68	97	90	82	46	1	0	0	436
50 to 54	2	12	57	43	39	41	52	10	0	0	256
55 to 59	2	20	30	31	25	32	22	13	2	0	177
60 to 64	0	6	9	5	10	13	13	5	11	2	74
65 to 69	0	0	3	2	4	0	3	1	1	0	14
70 and up	0	0	0	0	0	0	0	0	0	0	0
Total	181	531	615	490	343	195	136	30	14	2	2,537

Age Distribution



Service Distribution



**CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS
OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
ACTUARIAL VALUATION AS OF JUNE 30, 2014**

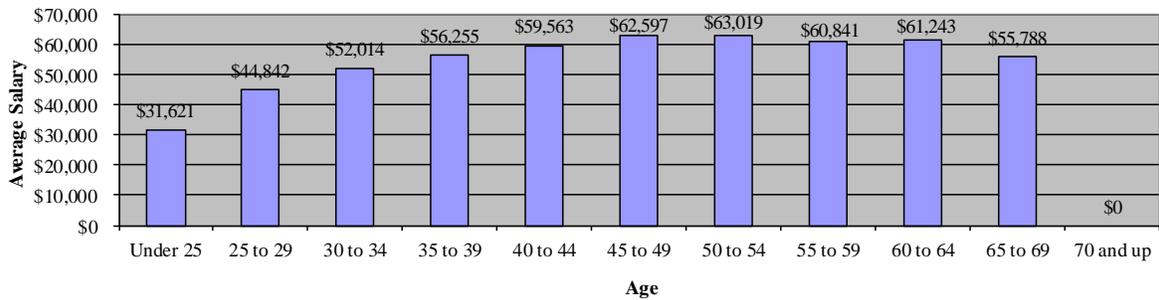
**APPENDIX B
MEMBERSHIP INFORMATION**

**Distribution of Active Members
As of June 30, 2014**

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	\$ 16,966	\$ 46,525	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 31,621
25 to 29	18,166	50,053	53,451	-	0	0	0	0	0	0	0	0	44,842
30 to 34	17,613	51,571	56,347	57,750	0	0	0	0	0	0	0	0	52,014
35 to 39	21,228	52,161	57,310	60,342	61,265	80,643	0	0	0	0	0	0	56,255
40 to 44	17,093	56,123	55,249	60,219	64,871	70,570	-	0	0	0	0	0	59,563
45 to 49	17,465	54,422	59,796	62,906	64,413	66,509	72,510	77,553	0	0	0	0	62,597
50 to 54	28,898	50,793	59,189	59,814	62,988	67,615	68,339	73,735	0	0	0	0	63,019
55 to 59	21,058	57,527	58,014	62,816	56,166	60,268	66,944	74,560	56,848	0	0	0	60,841
60 to 64	0	55,210	56,973	53,488	47,529	60,204	62,517	72,914	76,680	70,906	0	0	61,243
65 to 69	0	-	53,350	62,966	65,030	-	31,803	78,755	60,771	0	0	0	55,788
70 and up	0	0	0	0	-	0	0	0	0	0	0	0	-
Average	\$ 17,966	\$ 51,615	\$ 56,685	\$ 60,647	\$ 63,104	\$ 65,911	\$ 68,162	\$ 74,250	\$ 72,711	\$ 70,906	\$ 70,906	\$ 70,906	\$ 56,126

Average Salary Distribution



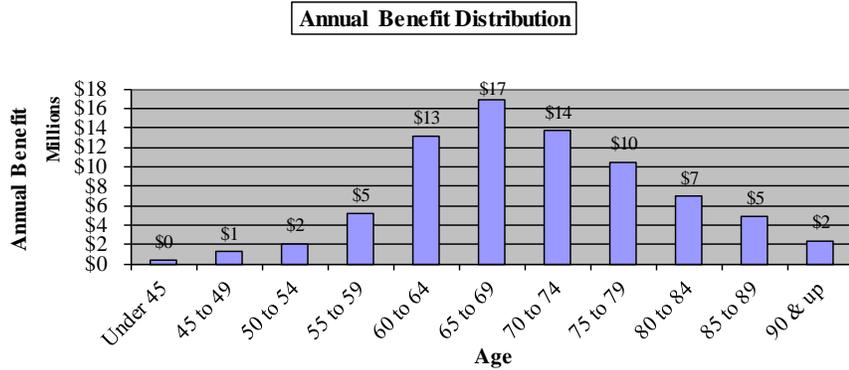
**CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS
OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
ACTUARIAL VALUATION AS OF JUNE 30, 2014**

**APPENDIX B
MEMBERSHIP INFORMATION**

**Distribution of Retirees, Disabled
Members, Beneficiaries, and Survivors
As of June 30, 2014**

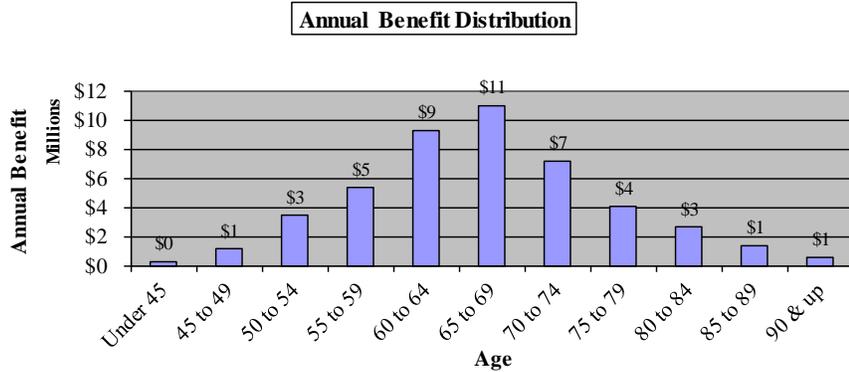
Regular Plan Participants

Age	Count	Annual Benefit
Under 45	57	\$ 366,688
45 to 49	68	1,210,469
50 to 54	123	2,043,751
55 to 59	273	5,121,303
60 to 64	876	13,110,476
65 to 69	1,247	16,880,579
70 to 74	1,131	13,655,203
75 to 79	942	10,477,268
80 to 84	723	6,931,048
85 to 89	554	4,866,026
90 & up	325	2,340,052
Total	6,319	\$ 77,002,863



Special Plan Participants

Age	Count	Annual Benefit
Under 45	21	\$ 285,410
45 to 49	50	1,102,870
50 to 54	132	3,427,942
55 to 59	196	5,317,723
60 to 64	355	9,266,555
65 to 69	455	10,966,710
70 to 74	319	7,156,413
75 to 79	216	4,059,228
80 to 84	145	2,608,878
85 to 89	87	1,399,857
90 & up	38	554,704
Total	2,014	\$ 46,146,291



CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS
OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
ACTUARIAL VALUATION AS OF JUNE 30, 2014

APPENDIX C
SUMMARY OF PROGRAM AND PLAN PROVISIONS

1. Member Contributions:

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

Regular AC & AN	7.0%
Regular BC	3.5%
Special 1C & 1N	7.0%
Special 2C & 2N	7.0%
Special 3C & 3N	8.5% for first 25 years, 7.0% after
Special 4C & 4N	8.0% for first 25 years, 7.0% after

Member contributions to increase by 0.5% in 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, 2014**

**APPENDIX C
SUMMARY OF PROGRAM AND 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.
-------------------------------------	---

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 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, 2014**

**APPENDIX C
SUMMARY OF PROGRAM AND 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.

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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.

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.”

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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.

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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

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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:

None.

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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.

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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.

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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:

Rates of Increases at Selected Years	
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

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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:

None

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:

There was an additional recognition of 37.5% of the past investment gains in the asset smoothing method.

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APPENDIX E
GLOSSARY OF GASB TERMS

1. Actuarially Determined Contribution

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

2. Actuarial Valuation Date

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

3. Deferred Inflow of Resources

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

4. Deferred Outflow of Resources

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

5. Entry Age Actuarial Cost Method

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

6. Measurement Date

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

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**APPENDIX E
GLOSSARY OF GASB TERMS**

7. Net Pension Liability

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

8. Plan Fiduciary Net Position

The fair or market value of assets.

9. Reporting Date

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

10. Service Cost

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

11. Total Pension Liability

The portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service in conformity with the requirements of GASB 67 and 68. The Total Pension Liability is the actuarial liability calculated under the entry age actuarial cost method.