



MainePERS

PUBLIC EMPLOYEES RETIREMENT SYSTEM

Board of Trustees

Public Meeting Packet

October 9, 2025

MainePERS Board of Trustees
October 9, 2025
139 Capitol Street, Augusta

AGENDA

9:00 a.m. ¹		CALL TO ORDER		Brian Noyes
9:00 – 9:05 a.m.	1.	<u>CONSIDERATION OF CONSENT CALENDAR</u> <ul style="list-style-type: none"> Minutes of September 11, 2025 Decision, A.R. Appeal Consideration of Items Removed 	ACTION	Brian Noyes
9:05 – 10:35 a.m.	2.	<u>ACTUARIAL VALUATIONS AND UAL UPDATE</u>	ACTION	Gene Kalwarski Bonnie Rightnour Ryan Benitez Bill Brown
10:35 – 10:45 a.m.		<u>BREAK</u>		
10:45 – 11:45 a.m.	3.	<u>ASSET ALLOCATION</u> <ul style="list-style-type: none"> Strategic Asset Allocation Capital Market Assumption Modeling Asset Liability Modeling Policy Benchmarking Proposed Changes to Investment Policy Statement Appendix 4 		Stuart Cameron, Cambridge Assoc., Bonnie Rightnour, Cheiron James Bennett Scott Lupkas
11:45 – 11:55 a.m.	4.	<u>PRIVATE MARKETS ACTION</u> <ul style="list-style-type: none"> Executive Session pursuant to 1 M.R.S. §§ 402(3)(B), 405(6)(F) <p><i>Board moves out of executive session.</i></p> <ul style="list-style-type: none"> Tree Line Direct Lending IV Meridiam Infrastructure 	ACTION ACTION	Brian Noyes James Bennett Scott Lupkas
11:55 a.m. – 12:05 p.m.	5.	<u>INVESTMENT REVIEW</u> <ul style="list-style-type: none"> Investment Monthly Review 		James Bennett Scott Lupkas
12:05 – 12:10 p.m.	6.	<u>PRIVATE MARKETS REVIEW</u> <ul style="list-style-type: none"> Private Markets Activity Co-Investment Reporting 		James Bennett Scott Lupkas
12:10 – 12:20 p.m.	7.	<u>PROXY VOTING</u>	ACTION	James Bennett Scott Lupkas

¹ All times are estimated based upon the anticipated length of each presentation, hearing, discussion, and action. The presiding officer may take agenda items out of order for more efficient or effective conduct of the meeting.

12:20 – 12:50 p.m.LUNCH

12:50 – 1:20 p.m.

8. AUDITED FINANCIAL STATEMENTS

ACTION

Sherry Vandrell
Mark LaPrade, Leah
Clair, BerryDunn

1:20– 1:50 p.m.

9. CEO REPORT

Dr. Rebecca M. Wyke

- Board Education Plan
- Strategic Plan Update
- Key Performance and Risk Measures

1:50 – 2:00 p.m.

10. RULEMAKING

ACTION

Nanette Ardry

- Replacement Rule 201 and amended Rule Chapters 406, 506, and 803

2:00 – 2:10 p.m.

11. MEMBER SERVICES, FINANCE, AND OPERATIONS REPORTChip Gavin
Sherry Vandrell
Michael Colleran

2:10 – 2:15 p.m.

12. LITIGATION UPDATE

John Nichols

2:15 – 2:20 p.m.

13. CHIEF EXECUTIVE OFFICER EVALUATION

Brian Noyes

2:20 p.m.

ADJOURNMENTBrian Noyes

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

Minutes

Board of Trustees
Board Meeting
September 11, 2025

MainePERS
Augusta
9:00 a.m.

The Board of Trustees met at MainePERS, 139 Capitol Street, Augusta, ME 04330 at 9:00 a.m. on August 14, 2025. Dick Metivier, Vice Chair, presided. Other Trustees participating were: Brian Noyes, Chair; Joe Perry, State Treasurer; John Beliveau; Shirrin Blaisdell; Kirk Duplessis; Nick Fuller Googins; and John Kimball. Joining the Trustees were Dr. Rebecca Wyke, Chief Executive Officer; Michael Collieran, Chief Operating Officer and General Counsel; Sherry Vandrell, Chief Financial Officer; Chip Gavin, Chief Services Officer; Monica Gorman, Secretary to the Board of Trustees; and John Nichols, Assistant Attorney General and Board Counsel. The Board also was joined for select portions of the meeting by James Bennett, Chief Investment Officer; Scott Lupkas, Deputy Chief Investment Officer; Nanette Ardry, Associate General Counsel; Shelley O'Brian, Assistant Director Member Services; Brian McDonnell, Cambridge Associates; William Greenwood, Albourne; George Bumeder, Cliffwater; Amy McDuffee and Saba Hashmi, Mosaic Governance Advisors.

Dick Metivier called the meeting to order at 9:00 a.m. Brian Noyes, John Beliveau, and Kirk Duplessis participated through video remote access pursuant to 1 M.R.S. §403-B, having been excused from in-person attendance. All other Trustees attended in person.

Dick Metivier introduced and welcomed new Trustee Nick Fuller Googins to the Board. Board members introduced themselves to Nick.

CONSIDERATION OF THE CONSENT CALENDAR

The presiding officer called for consideration of the Consent Calendar. The action items on the Consent Calendar were:

- Minutes of August 14, 2025
- Dismissal, J.T. Appeal
- Action. Shirrin Blaisdell made the motion, seconded by Joe Perry, to approve the Consent Calendar. Unanimously voted in favor by eight Trustees (Beliveau, Blaisdell, Duplessis, Fuller Googins, Kimball, Metivier, Noyes, and Perry).

GOVERNANCE

Best Practices in Board Governance

Amy McDuffee, Mosaic Governance Advisors, provided an educational presentation for the Trustees regarding board governance. Amy answered questions from the Trustees.

Board Self-Evaluation

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

The Board moved out of executive session.

Brian Noyes left the meeting at 10:40 a.m.

STRATEGIC ASSET ALLOCATION

Jim Bennett provided Trustees with a presentation on strategic asset allocation, including proposed changes that would reduce the total portfolio risk level while enhancing diversification and improving liquidity. Brian McDonnell shared Cambridge Associate's analysis of the liquidity profiles of the current and proposed allocations. Jim also discussed the impact of the prospective asset class changes with respect to the balance of growth and income, risk attributes, and liquidity. Jim then reviewed the Investment Policy Statement revisions that will be brought to the Trustees at a future meeting. The changes include updated policy weights, more detailed descriptions of asset classes, and removal of "roles in fund" description. Jim shared further revisions and updates of the Investment Policy Statement will be presented at future meetings. Jim indicated the analysis of the liquidity profile will be discussed at a later date. Jim, Scott, and Brian answered questions from the Trustees.

RULEMAKING

Public Hearing Proposed Amended Rule Chapter 406

Nanette Ardry summarized the proposed amendment to Rule Chapter 406, Payment of Contributions and Interest for the Purchase of Service Credit.

Dick Metivier reviewed the process for in-person and virtual attendees from the public to participate and comment during the public hearing on the proposed amendment. No comments were offered. Dick stated written public comments may be submitted until 4:00 p.m. on September 22, 2025.

Public Hearing Proposed Amended Rule 506

Nanette Ardry summarized the proposed amendment to Rule Chapter 506, Eligibility for Disability Retirement Benefits.

Dick Metivier reviewed the process for in-person and virtual attendees from the public to participate and comment during the public hearing on the proposed amendment. No comments were offered. Dick stated written public comments may be submitted until 4:00 p.m. on September 22, 2025.

Public Hearing Proposed Amended Rule 803

Nanette Ardry summarized the proposed amendment to Rule Chapter 803, Participating Local District Consolidated Retirement Plan.

Dick Metivier reviewed the process for in-person and virtual attendees from the public to participate and comment during the public hearing on the proposed amendment. No comments were offered. Dick stated written public comments may be submitted until 4:00 p.m. on September 22, 2025.

Amended Rule Chapters 510

Nanette Ardry presented the proposed amendments to Rule Chapter 510, Reduction of Disability Retirement Benefits Because of Lump-Sum Settlements of Benefits Payable Under the Workers' Compensation or Similar Law.

Michael Colleran discussed the comments received during the public hearing held in August.

- **Action.** Shirrin Blaisdell made a motion, seconded by Nick Fuller Googins, that the Board adopt amended Rule Chapter 510 and its basis statement. Unanimously voted by seven Trustees (Beliveau, Blaisdell, Duplessis, Fuller Googins, Kimball, Metivier, and Perry).

INVESTMENT REVIEW

Investment Monthly Review

Jim Bennett reported that as of August 31, 2025, the MainePERS fund had a preliminary market value of \$21.3 billion, the preliminary return for the month was 0.9%, and the preliminary calendar year-to-date return was 6.7%.

PRIVATE MARKETS REVIEW

Private Markets Activity

Scott Lupkas reviewed the table of private market funds and co-investments that had closed during the past 12 months. Scott shared the next managers meeting is scheduled for Tuesday, September 23, 2025, in Portland, with presentations by Tree Line Direct Lending at 10:00 a.m., and Hines US Property Partners at 11:15 a.m.

Meridiam Infrastructure Update

Scott Lupkas shared with the Trustees that the Investment Team is considering an opportunity by Meridiam Infrastructure to consolidate a series of fund investments that would provide prospective incremental value creation and overall improved terms. Scott indicated that further details would be forthcoming at a future meeting and answered questions from the Trustees.

PROXY VOTING REVIEW

FY 2025 Proxy Voting

Jim Bennett stated there were no changes to the System's voting policy or practices at this time. Scott Lupkas provided and discussed updated options on proxy voting for commingled holdings with the Trustees.

John Beliveau left the meeting at 12:40 p.m.

FREEDOM OF ACCESS ACT EDUCATION

Michael Colleran shared with the Trustees a new amendment to the Freedom of Access Act that requires Board members to receive education on the Act. Michael then provided an educational session on the law's requirements, processes, and enforcement. Michael answered questions from the Trustees.

MaineSTART

Quarterly Report

Michael Colleran and Chip Gavin provided the Quarterly Report for the quarter ending 6/30/25. Chip Gavin presented information on membership and the various types of outreach provided to participants. Chip shared with the Trustees advantages of participating, challenges, and potential opportunities for the future. Michael and Chip answered questions from the Trustees.

CEO REPORT

Dr. Rebecca Wyke stated the Pension Administration System project continues to be on track for scope, schedule, resources, and budget. She shared Phase 2 is continuing; Phase 3 is complete; and Phase 4 was kicked off in early September. Dr. Wyke thanked the staff for their hard work and dedication to this project and keeping up with the daily obligations.

Enterprise Risk Management

Michael Colleran shared the annual report of the Enterprise Risk Management Program with the Trustees. The report identifies any significant risks facing the System and steps taken to mitigate them. He reported the top risks continue to be data breach, failure to make benefit payments, fraud or theft, and errors in calculating benefits and contributions. Michael reviewed the steps being taken to reduce those risks. He answered questions from the Trustees.

Mission Moment – Preliminary to Final Benefit

Chip Gavin and Shelley O'Brian presented a mission moment on the changes and progress made in the preliminary to final benefit process. Chip and Shelley answered questions from the Trustees.

Joe Perry left the meeting at 1:20 p.m.

MEMBER SERVICES, FINANCE, AND OPERATIONS REPORT

The Board had no questions or comments on the Member Services, Finance, and Operations Report for the month of September.

LITIGATION UPDATE

John shared a petition for review was filed in Superior Court by Jennifer O'Bryon.

ADJOURNMENT

Dick Metivier adjourned the meeting at approximately 2:20 p.m.

10/9/25

Date Approved by the Board

Dr. Rebecca M. Wyke, Chief Executive Officer

Date Signed

MAINEPERS

BOARD OF TRUSTEES MEMORANDUM

TO: BOARD MEMBERS

FROM: BILL BROWN, DIRECTOR, ACTUARIAL & LEGISLATIVE AFFAIRS

SUBJECT: FY 2025 ACTUARIAL VALUATION REPORTS

DATE: OCTOBER 1, 2025

POLICY REFERENCE

[Board Policy 2.2 – Actuarial Soundness and Funding](#)

[Board Policy 4.5 – Board/Staff Relations](#)

[Board Policy 4.6 – Communication and Support to the Board](#)

Cheiron is completing its annual valuation of the System's defined benefit plans and the Group Life Insurance Program. A final draft of each of the reports, including the State Employee and Teacher Program, the Legislative Program, the Judicial Program, the PLD Consolidated Program, and the Group Life Insurance Program (separate for State-sponsored groups and PLDs), is included with this memo. There have been no substantive changes made to the reports from the versions that were previously provided to Trustees.

Gene Kalwarski, Bonnie Rightnour, Greg Reardon and Ryan Benitez will present the draft valuation reports at the October 9, 2025 meeting and will answer any questions you may have at that time. A copy of their presentation is included with this memo. If the Board accepts the reports, they will be immediately finalized.

RECOMMENDATION

Accept the FY 2025 Actuarial Reports for the State Employee and Teacher Program, the Legislative Program, the Judicial Program, the PLD Consolidated Plan, and the Group Life Insurance Program (State-sponsored and PLD) as presented.



Classic Values, Innovative Advice

June 30, 2025 Actuarial Valuations

October 9, 2025

Gene Kalwarski, FSA, EA, MAAA
Bonnie Rightnour, FSA, EA, MAAA
Greg Reardon, FSA, EA, MAAA
Ryan Benitez, ASA, MAAA



Topics for Discussion

- Actuarial Basics
- 2025 Actuarial Valuation
 - Historical Review
 - Valuation Results
- UAL Analysis
- Peer Comparisons
- A Look Ahead
- Retiree Group Life Insurance
- Appendix





Actuarial Basics

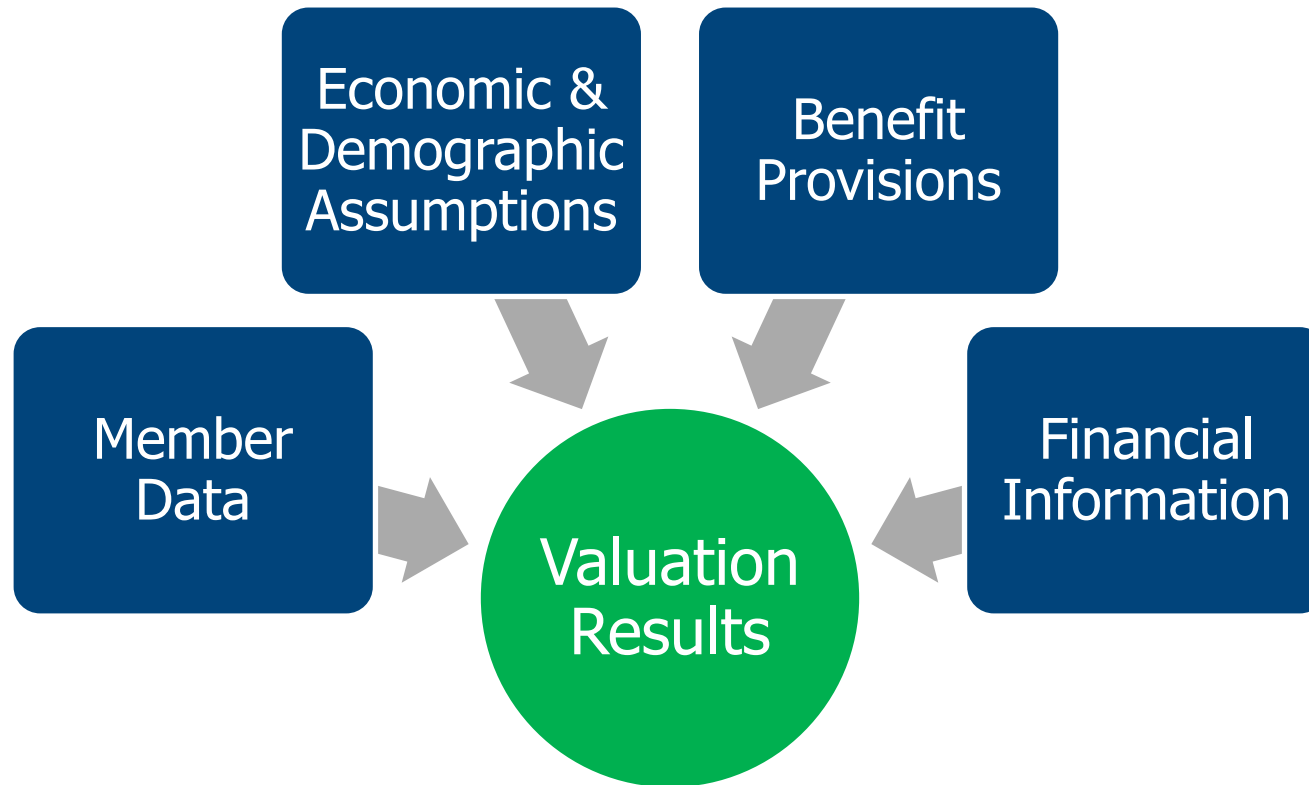
October 9, 2025

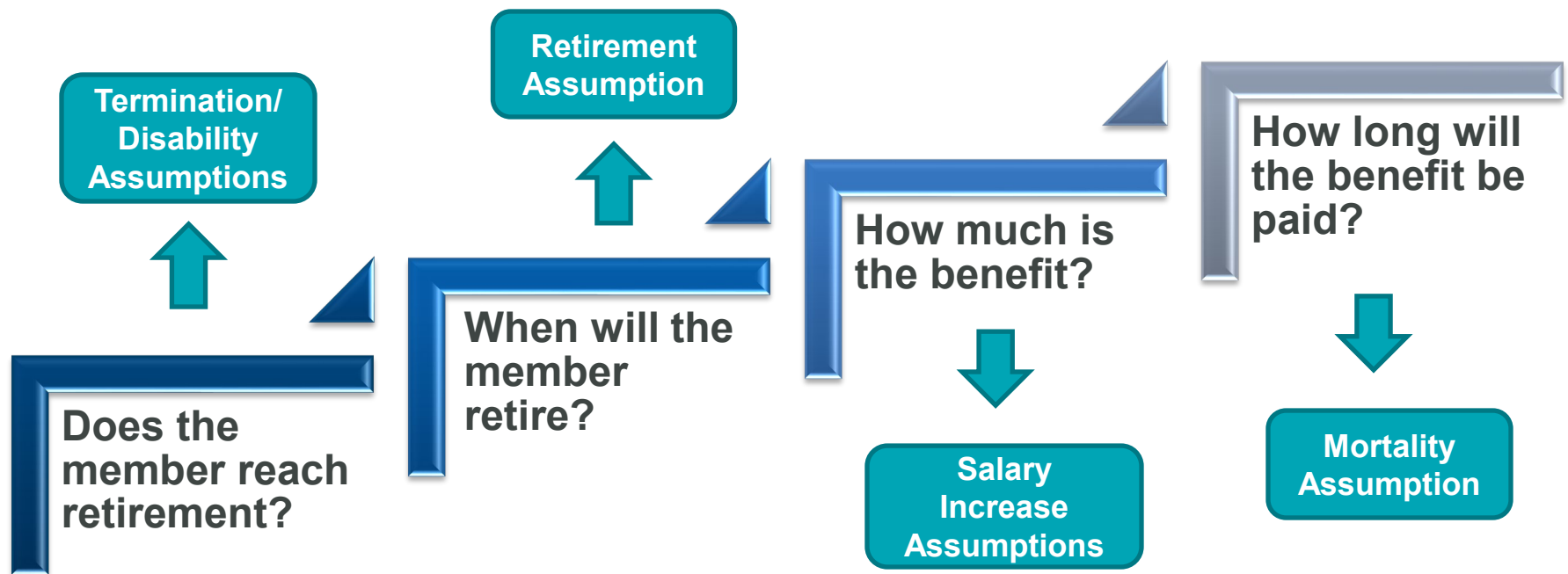
$$C + I = B + E$$



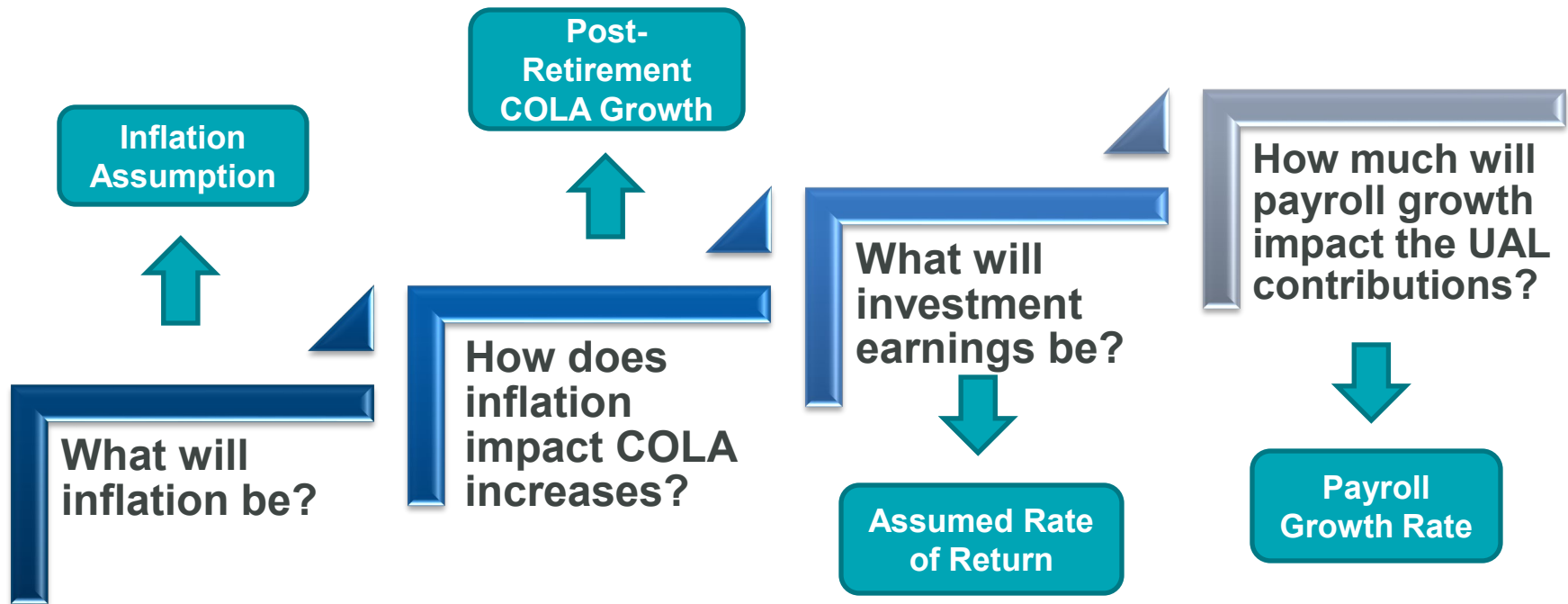
Contributions + Investment Earning = Benefits + Expenses

- How do you ensure that **contributions** plus **investment earnings** will be adequate to pay promised **benefits** and **expenses**?
 - Routinely monitor
 - Adjust as necessary
 - Consult an actuary





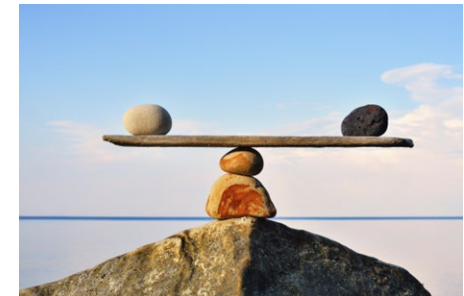
Assumptions listed here are the primary valuation assumptions. Additional assumptions are used in the valuation – such as marital status, family composition, disability offsets, etc. – that impact the liabilities.



- Assumptions impact the *timing and amount* of benefit payments

$$C + I = B + E$$

- Actuarial process is self-correcting
 - Gains and losses are amortized with every actuarial valuation
 - Periodic experience studies
- Good assumptions produce level contributions**



Experience Study – Review Timing Varies

- Economic assumptions are reviewed annually with the Board
 - Not data intensive
 - Review of economic trends and capital market outlook
- Demographic assumptions reviewed every 5 years
 - MainePERS member-specific trends
 - Data intensive
 - Merit-based salary increases, mortality, retirement, turnover, disability, etc.
- Actuarial methods
 - Should support Board funding policy objectives and reflect Maine constitution
 - Consider actuarial best practices



Demographic Assumptions Review in FY 2026

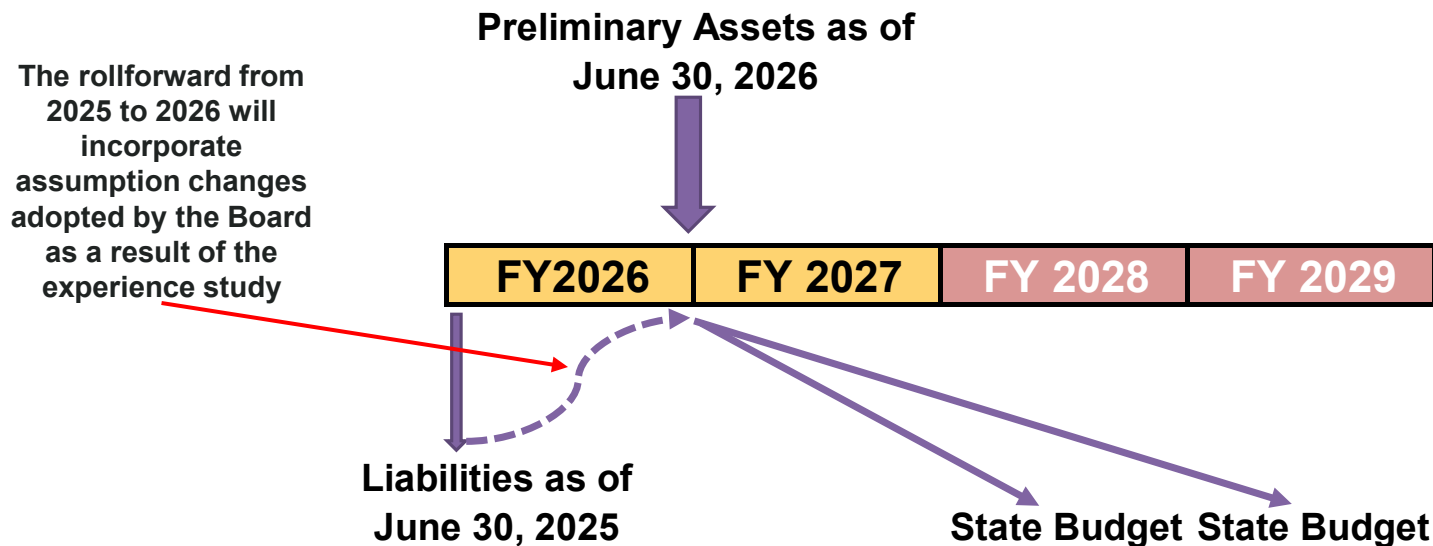
- Participant behavior reviewed over 5-year period from June 30, 2020 to June 30, 2025
- Experience aggregated and segregated to determine best “fit”
 - Examples include by plan type, gender-based, job type, employer type, etc.
- Compare to prior assumptions and consider if recent 5-year period indicative of long-term trends or not
- Determine if macroeconomic or other outside factors caused unexpected behavior
 - Impact of pandemic period will be evaluated as influential



Board's Responsibility

1. Review the plan experience and data trends to determine if adjustments are needed
 - Economic assumptions in June of each year
 - Demographic assumptions every five years – Spring 2026
2. Consider credibility of experience, public plan trends and national studies (as applicable)
3. Consider alternative assumptions
- 4. Adopt final assumptions**

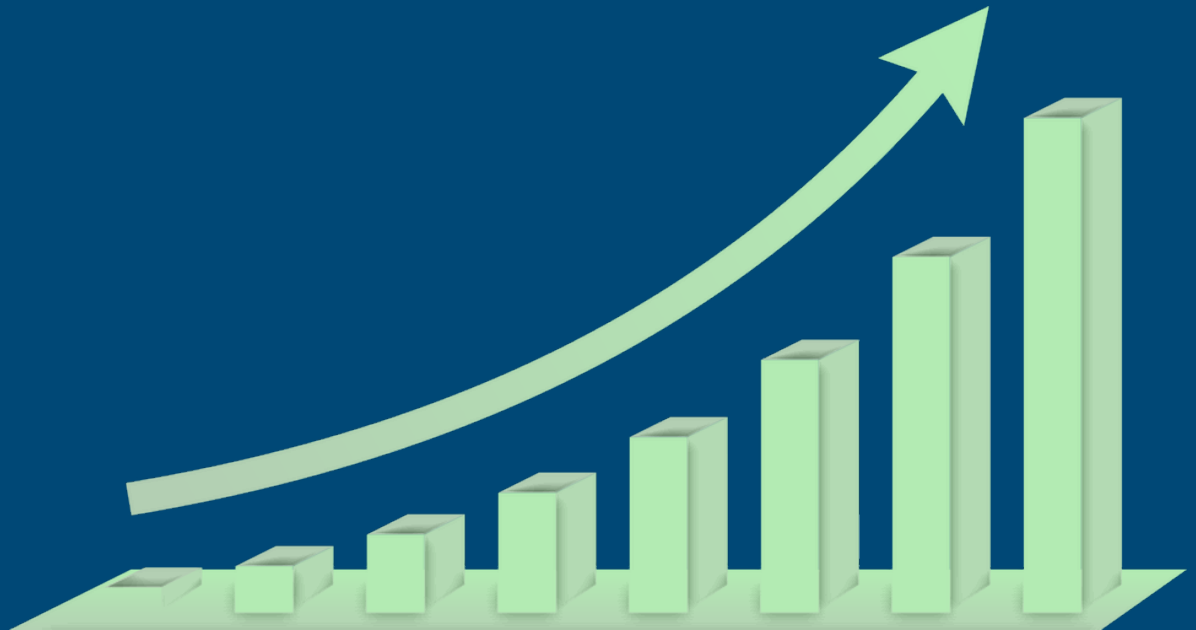
For the State Employee/Teacher Programs, Judicial, and Legislative Programs

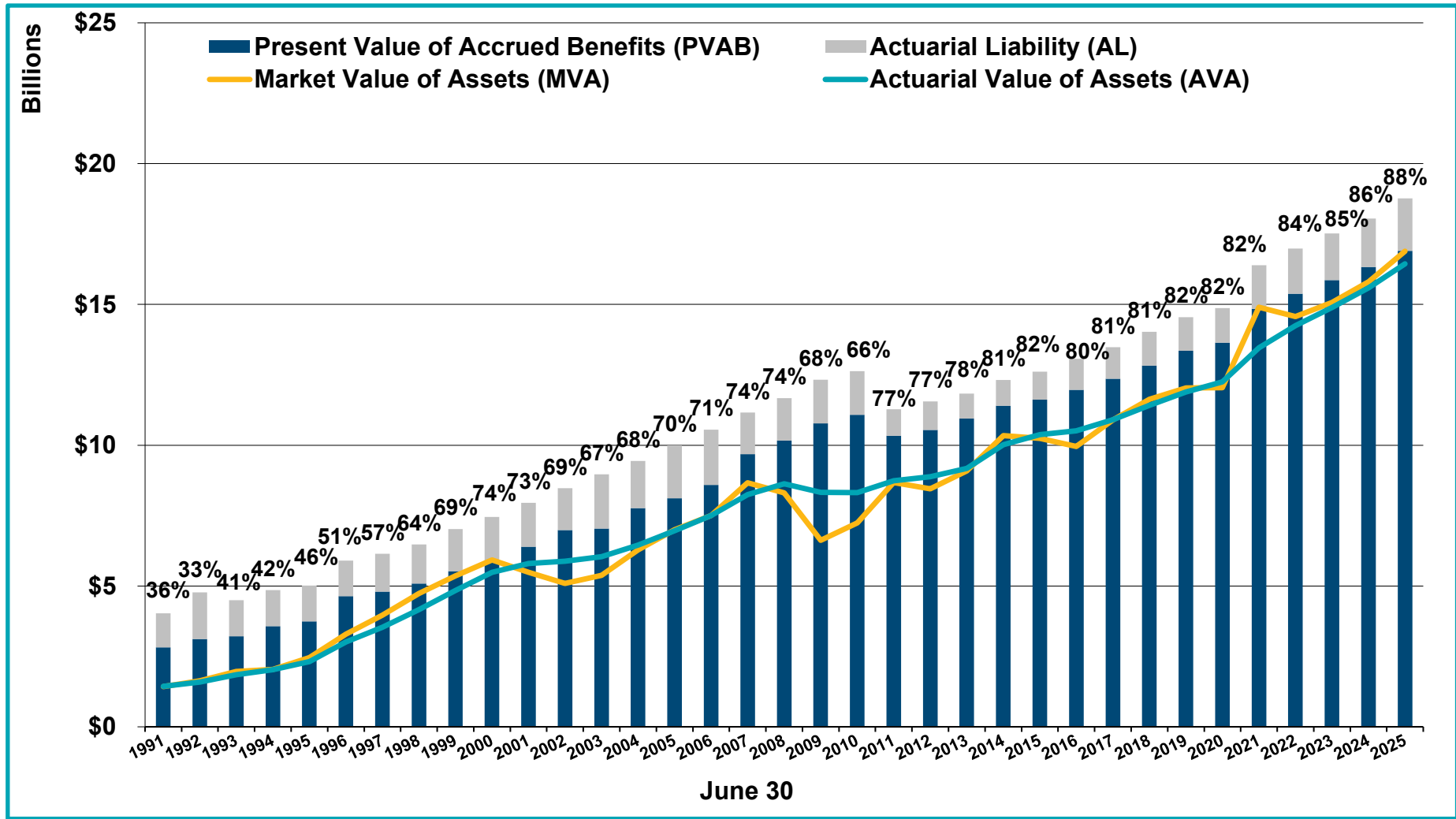


For the Participating Local Districts (PLD's) the 2025 valuation will be used for FY27 contributions

Historical Review & Valuation Results

State Employees and Teacher Programs

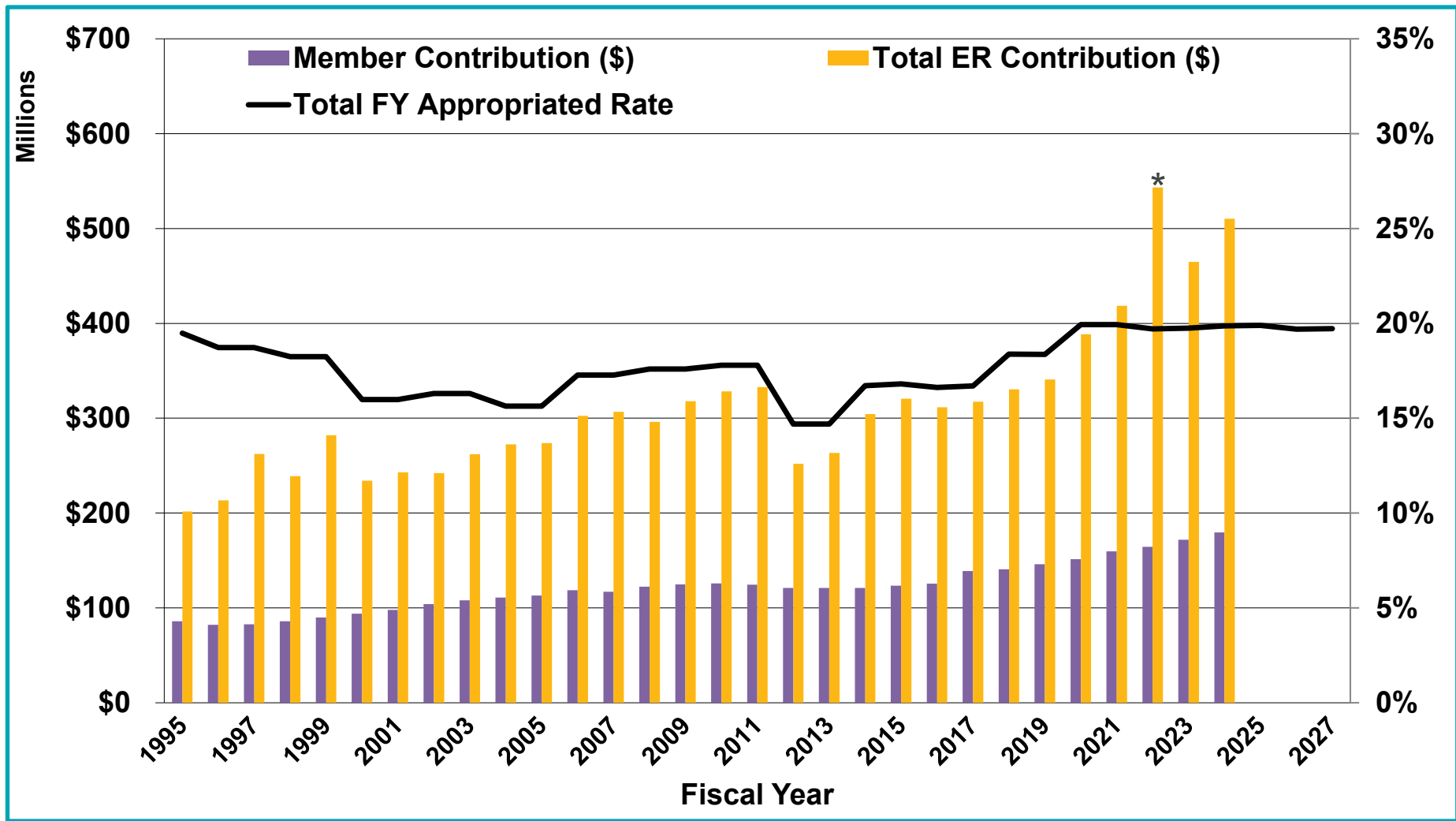




Percentages shown are AVA funded ratios

State Employee and Teacher Only

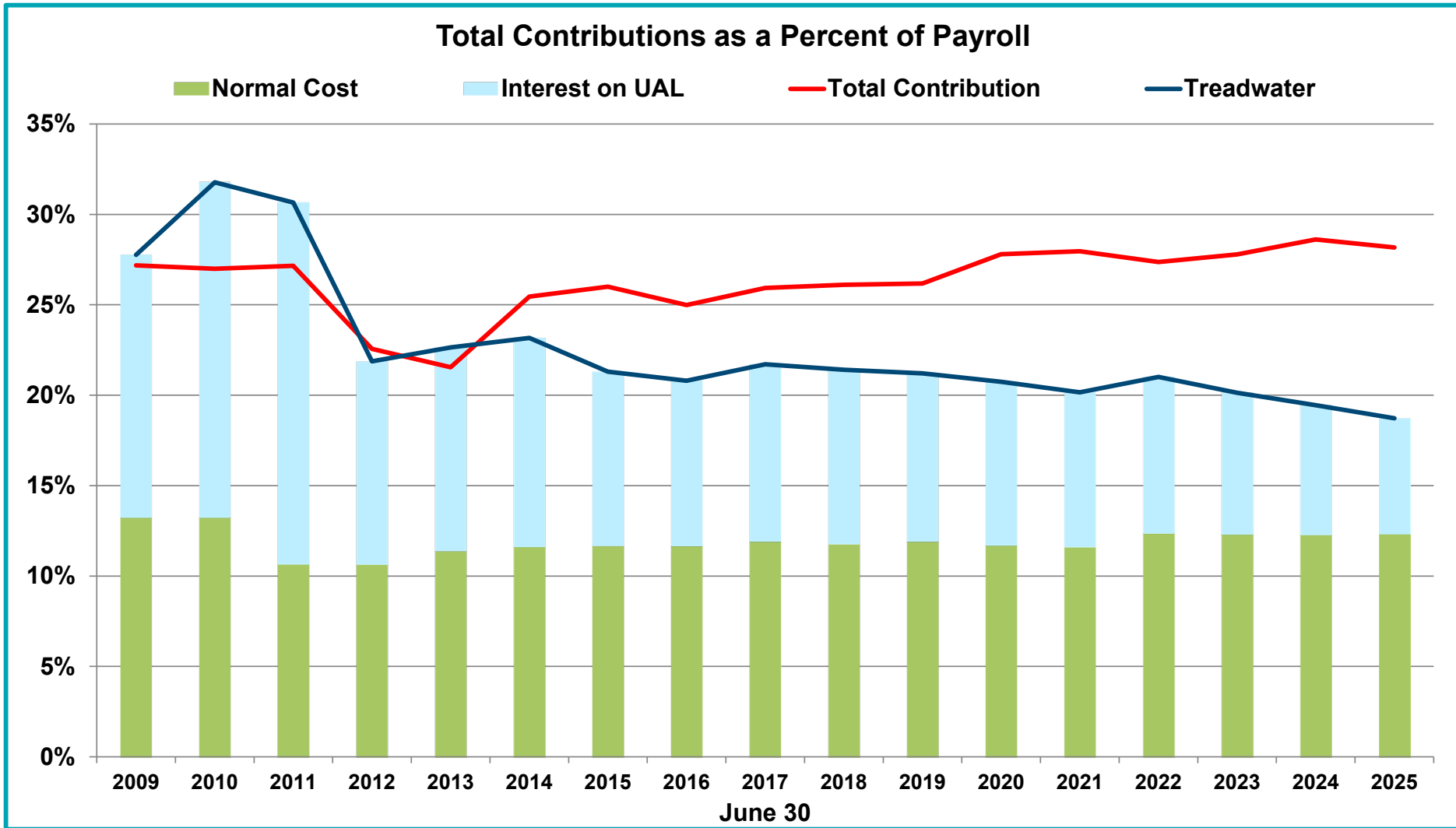
October 9, 2025



* Increase largely due to requirement to fully fund program changes (COLA)

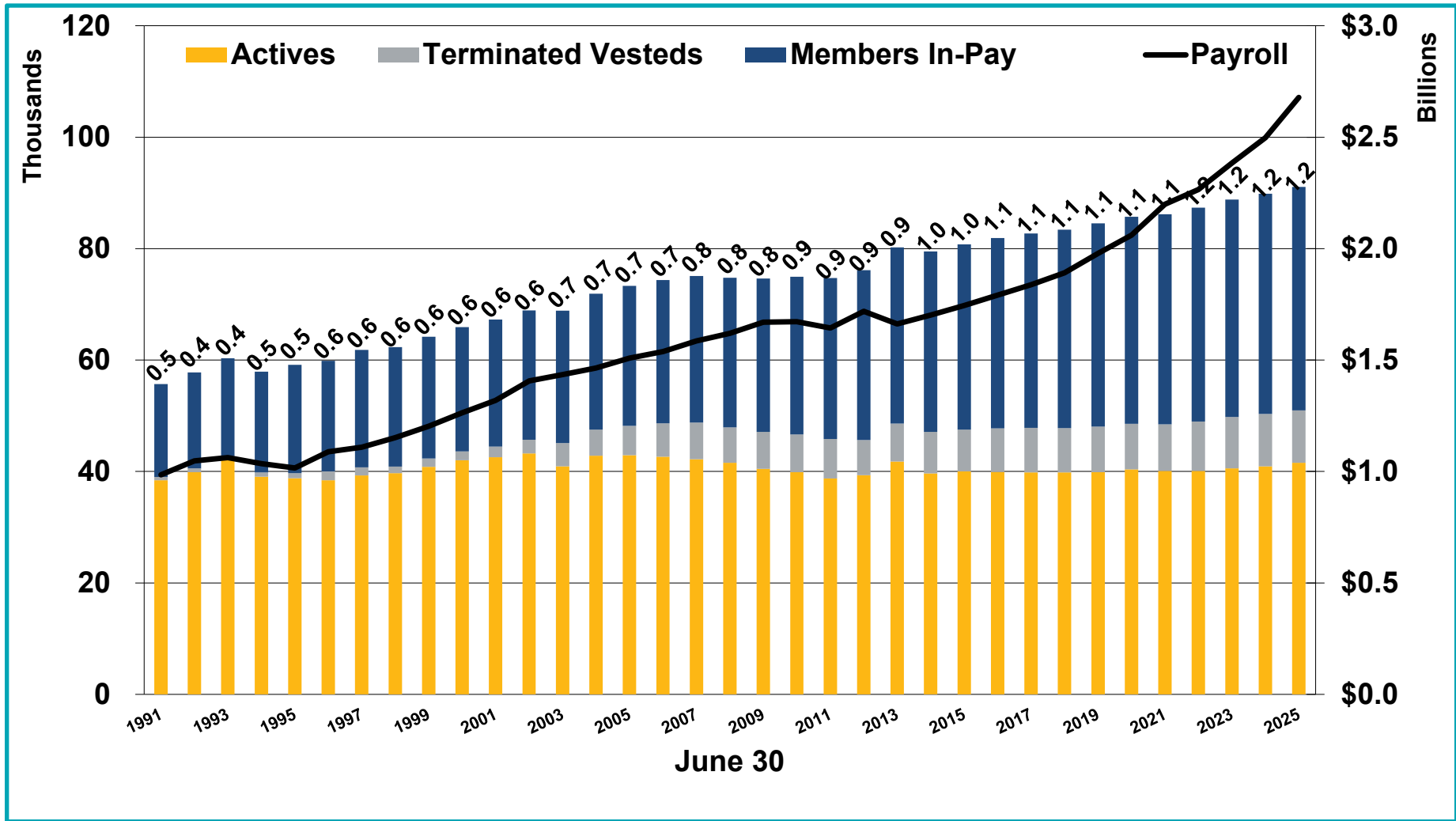
State Employee and Teacher Only

October 9, 2025



State Employee and Teacher Only

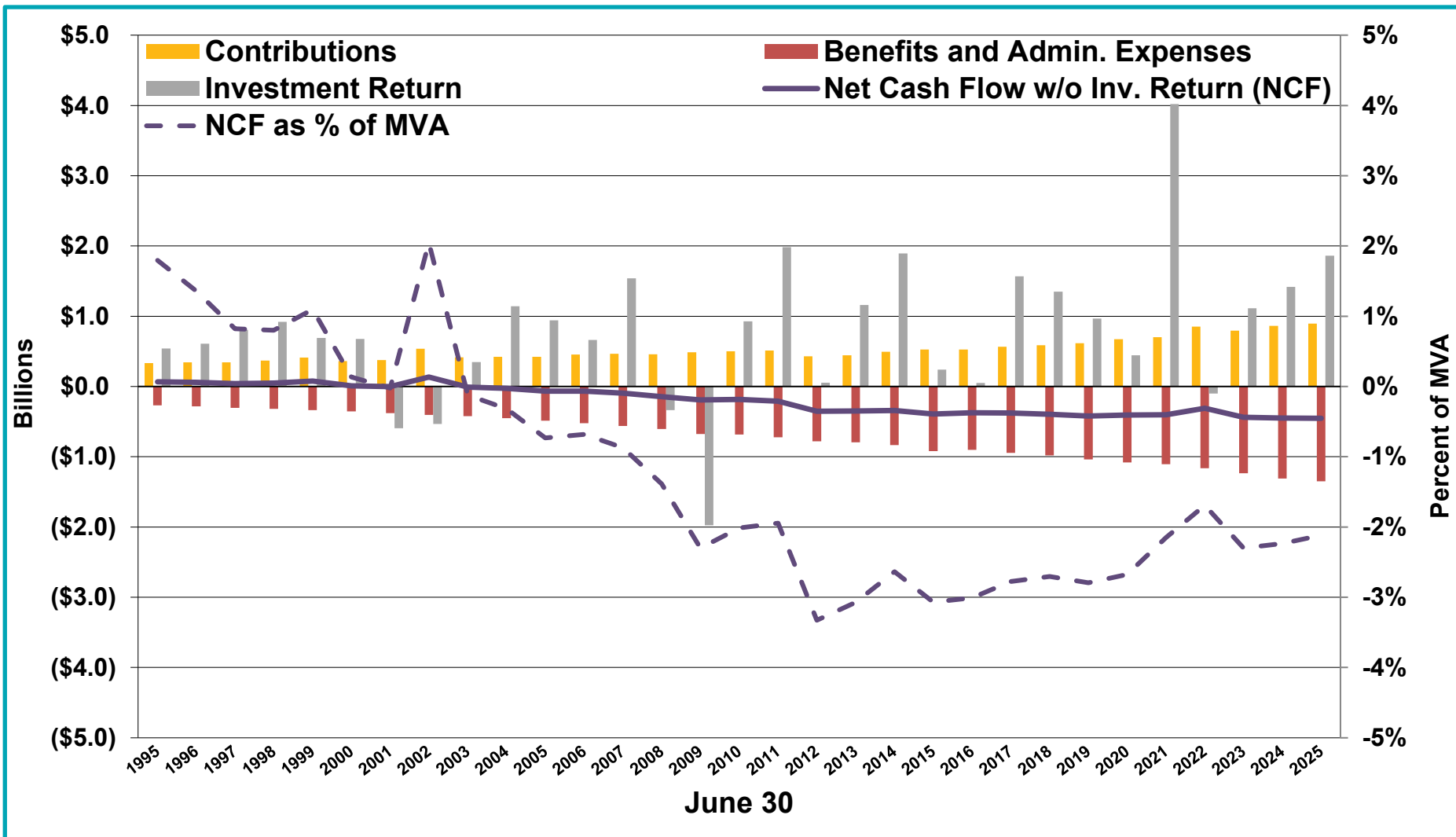
October 9, 2025

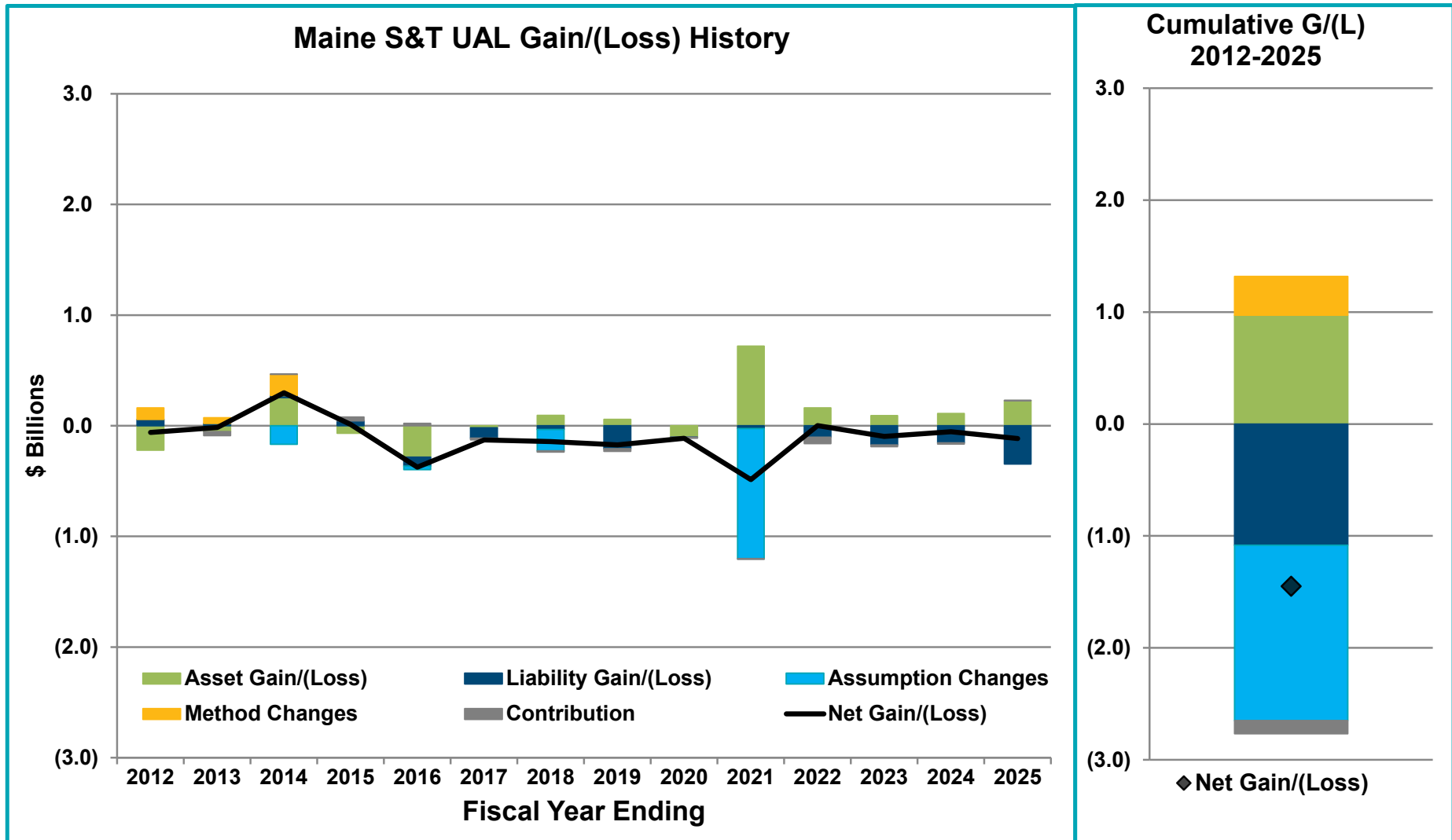


Numbers represent the ratio of inactives to actives (the support ratio)

State Employee and Teacher Only

October 9, 2025





State Employee and Teacher Only

October 9, 2025

June 30,			
	2024	2025	2024 to 2025
<u>Membership</u>	<u>Valuation</u>	<u>Valuation</u>	<u>% change</u>
Actives	40,932	41,578	1.6%
Payroll (\$millions)	\$ 2,497	\$ 2,678	7.2%
Average Salary	\$ 61,013	\$ 64,415	5.6%
In Pay Status	39,535	40,078	1.4%
Total Annual Benefits (\$millions)	\$ 1,013	\$ 1,054	4.0%
Average Benefit	\$ 25,618	\$ 26,291	2.6%
<u>Assets and Liabilities (\$millions)</u>			
Actuarial Liability (6.50%)	\$ 18,051	\$ 18,770	4.0%
Actuarial Value of Assets (AVA)	\$ 15,587	\$ 16,439	5.5%
Unfunded Actuarial Liability (UAL)	\$ 2,464	\$ 2,331	-5.4%
UAL Amortization	\$ 395	\$ 414	4.8%
AVA Funded Ratio	86.3%	87.6%	
Market Value of Assets (MVA)	\$ 15,810	\$ 16,889	6.8%
MVA Funded Ratio	87.6%	90.0%	
Accrued Liability (6.50%)	\$ 16,327	\$ 16,904	3.5%
Unfunded Accrued (using MVA)	\$ 517	\$ 15	-97.1%
Accrued MVA Funded Ratio	96.8%	99.9%	
LDROM Liabilities (4.44% to 4.77%)	\$ 23,200	\$ 23,000	-0.9%
<u>Total Contribution Rate</u>			
Normal Cost Rate	4.60%	4.50%	
UAL Rate	15.83%	15.48%	
Total Calculated Rate	20.43%	19.98%	

- Investments grew \$227 million more than expected
 - Market Return +9.31%
 - Actuarial Smoothed Return +7.96%
- Liabilities grew \$345 million more than expected
 - \$62 million – 3% COLA vs. assumed 2.2%
 - \$283 million – due to liability experience (mostly salaries)
- UAL declined by \$133 million
- Calculated Employer valuation contribution rate dropped from 20.43% to 19.98% of payroll
 - Higher payroll is resulting in a decrease in the calculated contribution rates since they are based on an amortization payment divided by payroll

- Higher payroll growth than anticipated has three separate, somewhat offsetting impacts on the calculated contribution rate
 1. Resulting liability loss must be amortized, which increases the UAL rate
 2. Higher payroll results in higher contributions producing an experience gain that is amortized, which decreases the UAL rate
 - Appropriated UAL contribution dollars (most of Teacher contribution) are not impacted
 3. Higher payroll results in a larger denominator, which decreases the contribution rate

Rate Impact From Payroll in 2025 Valuation

0.49% Impact of liability loss amortized

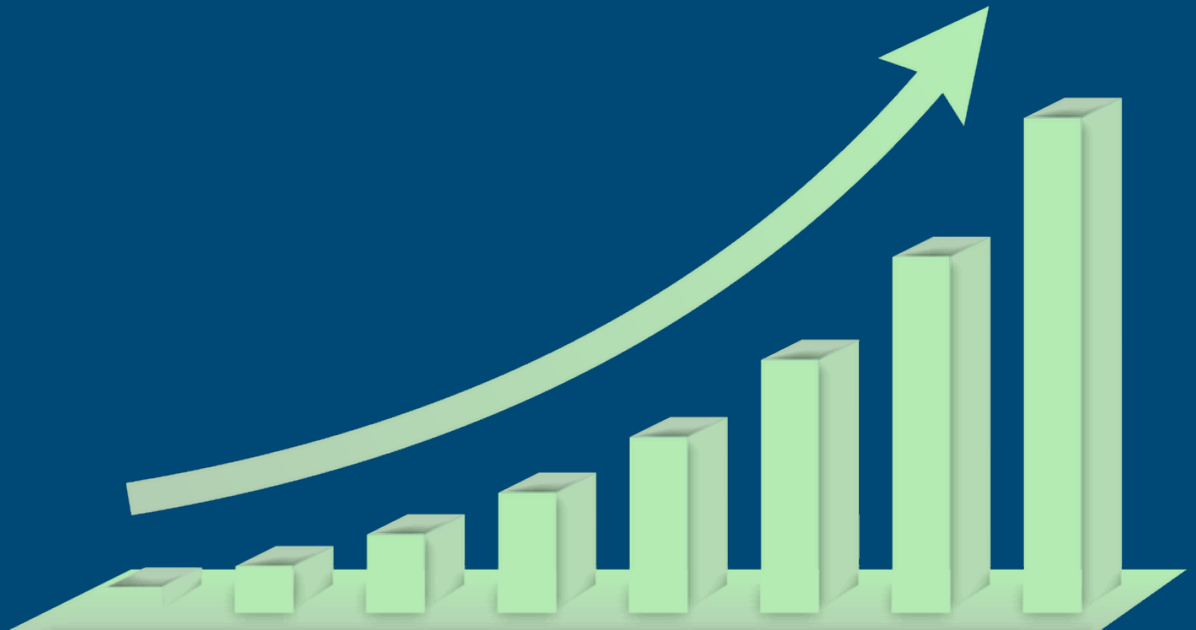
-0.02% Higher contribution gain amortized

-0.68% Higher payroll, larger denominator

-0.20% NET IMPACT

Judicial, Legislative, and PLD Programs

Valuation Results



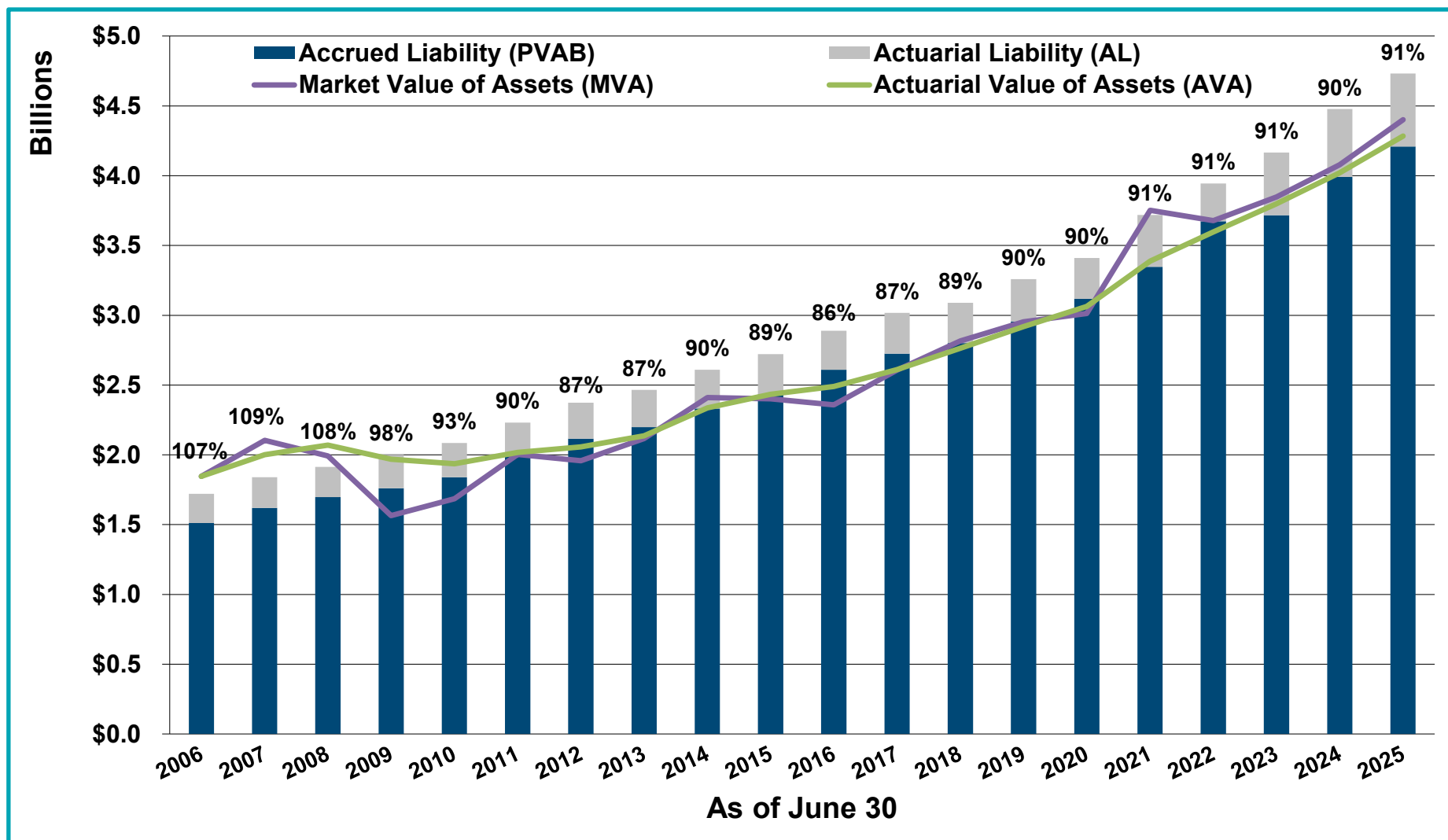
June 30,			
	2024	2025	2024 to 2025
<u>Membership</u>	<u>Valuation</u>	<u>Valuation</u>	<u>% change</u>
Actives	62	64	3.2%
Payroll (\$thousands)	\$ 9,938	\$ 10,597	6.6%
Average Salary	\$ 160,298	\$ 165,585	3.3%
In Pay Status	94	94	0.0%
Total Annual Benefits (\$thousands)	\$ 5,623	\$ 5,727	1.9%
Average Benefit	\$ 59,817	\$ 60,927	1.9%
<u>Assets and Liabilities (\$thousands)</u>			
Actuarial Liability (6.50%)	\$ 80,846	\$ 83,084	2.8%
Actuarial Value of Assets (AVA)	\$ 87,945	\$ 90,303	2.7%
Unfunded Actuarial Liability (UAL)	\$ (7,099)	\$ (7,219)	1.7%
UAL Amortization	\$ (856)	\$ (871)	1.7%
AVA Funded Ratio	108.8%	108.7%	
Market Value of Assets (MVA)	\$ 89,203	\$ 92,776	4.0%
MVA Funded Ratio	110.3%	111.7%	
Accrued Liability (6.50%)	\$ 76,672	\$ 79,476	3.7%
Unfunded Accrued (using MVA)	\$ (12,531)	\$ (13,300)	6.1%
Accrued MVA Funded Ratio	116.3%	116.7%	
LDROM Liabilities (4.44% to 4.77%)	\$ 96,700	\$ 96,100	-0.6%
<u>Total Contribution Rate</u>			
Normal Cost Rate	12.87%	13.21%	
UAL Rate (UAL Amort / Payroll)	-8.62%	-8.22%	
Total Calculated Rate	4.25%	4.99%	

June 30,			
	2024	2025	2024 to 2025
<u>Membership</u>	<u>Valuation</u>	<u>Valuation</u>	<u>% change</u>
Actives	175	182	4.0%
Payroll (\$thousands)	\$ 3,057 *	\$ 4,662	52.5%
Average Salary	\$ 17,467	\$ 25,615	46.6%
In Pay Status	234	234	0.0%
Total Annual Benefits (\$thousands)	\$ 586	\$ 605	3.3%
Average Benefit	\$ 2,502	\$ 2,585	3.3%
<u>Assets and Liabilities (\$thousands)</u>			
Actuarial Liability (6.50%)	\$ 11,571	\$ 13,362	15.5%
Actuarial Value of Assets (AVA)	\$ 17,185	\$ 18,161	5.7%
Unfunded Actuarial Liability (UAL)	\$ (5,614)	\$ (4,799)	-14.5%
UAL Amortization	\$ (677)	\$ (579)	-14.5%
AVA Funded Ratio	148.5%	135.9%	
Market Value of Assets (MVA)	\$ 17,431	\$ 18,658	7.0%
MVA Funded Ratio	150.6%	139.6%	
Accrued Liability (6.50%)	\$ 11,398	\$ 12,795	12.3%
Unfunded Accrued (using MVA)	\$ (6,033)	\$ (5,863)	-2.8%
Accrued MVA Funded Ratio	152.9%	145.8%	
LDROM Liability (4.44% to 4.77%)	\$ 14,200	\$ 16,000	12.7%
<u>Total Contribution Rate</u>			
Normal Cost Rate	3.24%	5.74%	Not less than negative NC Rate%
UAL Rate (UAL Amort / Payroll)	-3.24%	-5.74%	
Total Calculated Rate	0.00%	0.00%	

* Annualized to approximate long-session rate of pay.

October 9, 2025

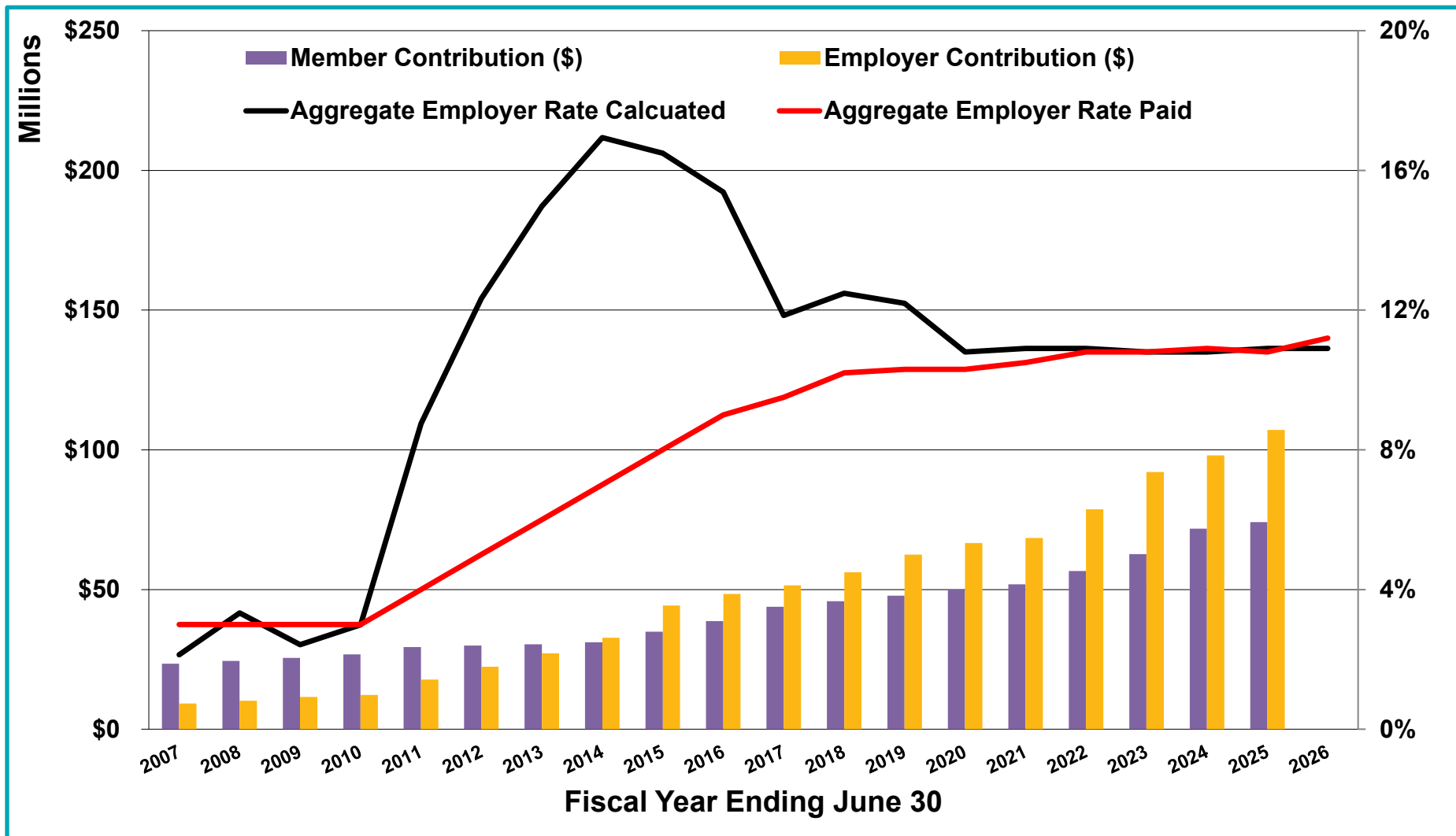
- Judicial investment gain of \$1.315 million
- Judicial liabilities grew \$0.799 million more than expected
- Legislative investment gain of \$0.244 million
- Legislative liabilities grew \$1.440 million more than expected
- Net Impact
 - Both Programs remain overfunded
 - Judicial contribution rate increased from 4.25% to 4.99%



Percentages shown are AVA funded ratios

Consolidated PLD Plans Only

October 9, 2025



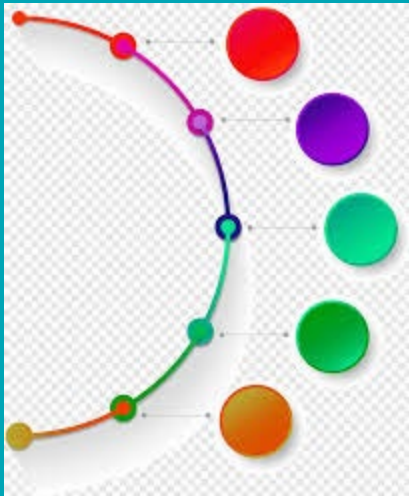
Consolidated PLD Plans Only

October 9, 2025

June 30,			
	2024	2025	2024 to 2025
<u>Membership</u>	<u>Valuation</u>	<u>Valuation</u>	<u>% change</u>
Actives	13,561	14,066	3.7%
Payroll (\$millions)	\$ 909	\$ 996	9.5%
Average Salary	\$ 67,061	\$ 70,790	5.6%
In Pay Status	10,853	11,073	2.0%
Total Annual Benefits (\$millions)	\$ 216	\$ 229	5.9%
Average Benefit	\$ 19,894	\$ 20,643	3.8%
<u>Assets and Liabilities (\$millions)</u>			
Actuarial Liability (6.50%)	\$ 4,478	\$ 4,732	5.7%
Actuarial Value of Assets (AVA)	\$ 4,020	\$ 4,284	6.6%
Unfunded Actuarial Liability (UAL)	\$ 458	\$ 448	-2.2%
AVA Funded Ratio	89.8%	90.5%	
Market Value of Assets (MVA)	\$ 4,078	\$ 4,401	7.9%
MVA Funded Ratio	91.1%	93.0%	
Accrued Liability (6.50%)	\$ 3,990	\$ 4,209	5.5%
Unfunded Accrued (using MVA)	\$ (88)	\$ (193)	119.5%
Accrued MVA Funded Ratio	102.2%	104.6%	
LDROM Liability (4.44% to 4.77%)	\$ 5,900	\$ 5,900	0.0%
<u>Composite Contribution Rate</u>	<u>for FY 2026</u>	<u>for FY 2027</u>	
Total Normal Cost Rate	14.3%	14.3%	
UAL Rate	4.9%	4.7%	
Total Calculated Rate	19.2%	19.0%	
Final Aggregate Employer Paid	11.2%	TBD	
Final Aggregate Member Paid	8.0%	TBD	

October 9, 2025

- Consolidated PLD investment gain of \$57.1 million
- Consolidated PLD liabilities grew by \$75.0 million more than expected
 - \$11.7 million increase due to COLA of 2.5% vs. assumed 1.91%
 - \$63.3 million increase due to other liability experience (new hires, salary higher than expected)
- Net Impact
 - UAL decreased by \$9.9 million to \$447.9 million
 - Calculated Total Contribution Rate is lower by 0.2% of payroll

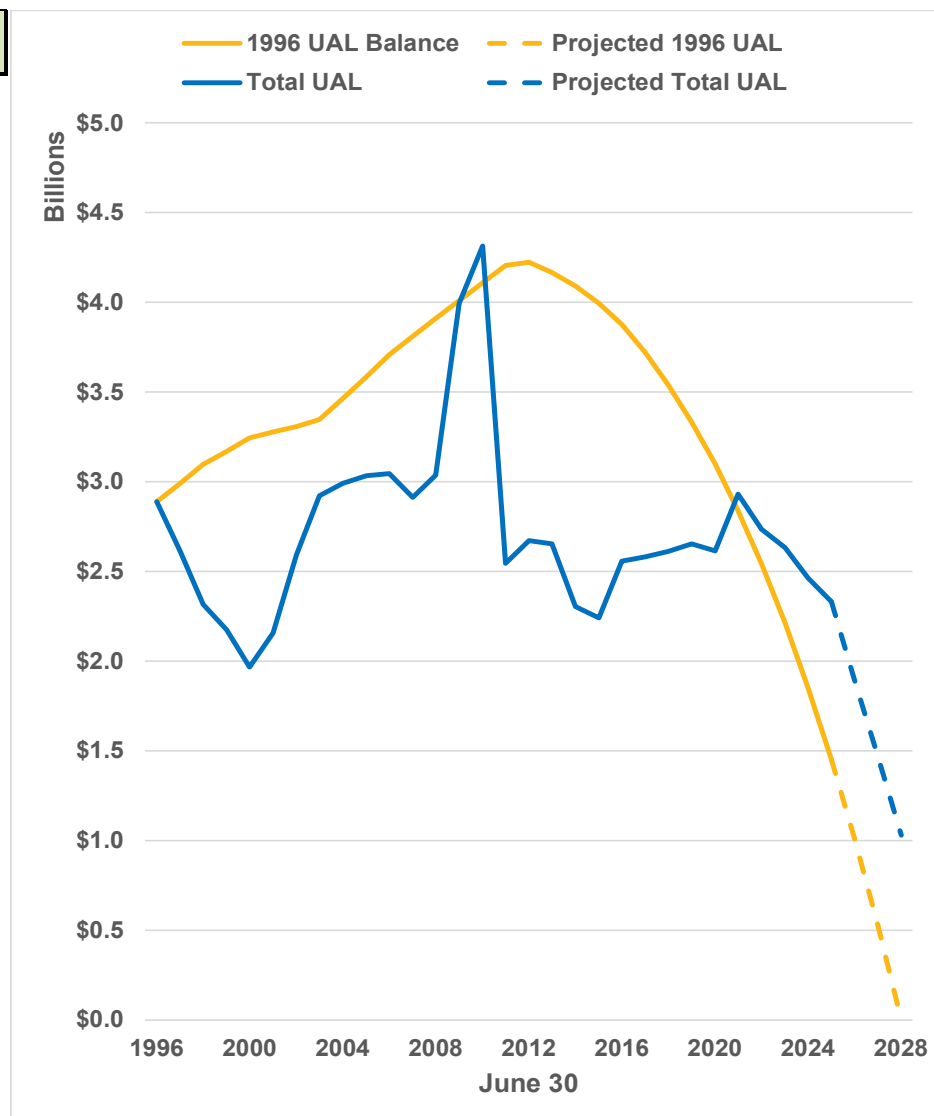


UAL Analysis

- Constitutional Amendment requires that the 1996 UAL be paid off in 2028
- The UAL is amortized on a level percentage of pay methodology
- In 2011 all UAL bases (1996 through 2011) were merged into a single base to be amortized in 2028



30-Jun	1996 UAL Balance	1996 UAL Payment	Total UAL
1996	2,888,985,772	123,965,519	2,888,985,772
1997	2,991,275,887	130,268,348	2,612,058,351
1998	3,095,199,119	168,011,907	2,316,528,732
1999	3,168,211,953	171,975,150	2,175,409,960
2000	3,242,947,092	217,206,330	1,966,194,367
2001	3,276,655,419	221,419,138	2,157,386,869
2002	3,308,682,335	218,375,512	2,592,677,039
2003	3,346,434,432	143,010,284	2,921,320,342
2004	3,465,528,540	150,875,849	2,989,819,156
2005	3,585,976,041	159,174,021	3,034,652,581
2006	3,707,435,629	178,320,289	3,045,982,237
2007	3,809,660,620	186,790,503	2,912,250,119
2008	3,911,015,737	195,663,052	3,036,474,882
2009	4,011,015,931	204,957,047	3,995,268,096
2010	4,109,118,723	214,693,269	4,315,457,560
2011	4,204,718,019	274,642,115	2,544,780,065
2012	4,225,136,373	352,384,829	2,672,576,161
2013	4,166,523,477	364,718,298	2,652,900,255
2014	4,090,888,412	374,661,964	2,302,646,777
2015	3,994,584,554	387,775,133	2,240,734,557
2016	3,877,846,758	411,021,472	2,557,430,770
2017	3,719,533,222	422,324,562	2,580,804,291
2018	3,538,650,454	431,567,895	2,611,201,193
2019	3,331,613,879	443,436,012	2,652,550,763
2020	3,098,340,210	455,630,502	2,615,498,824
2021	2,836,721,233	464,495,235	2,931,481,056
2022	2,541,754,432	477,268,854	2,733,686,161
2023	2,214,432,563	490,393,747	2,631,449,101
2024	1,852,290,035	503,879,575	2,463,913,052
2025	1,452,691,025	517,736,263	2,331,244,862
2026	1,012,818,139	531,974,011	1,897,137,257
2027	529,660,324	546,603,296	1,469,114,753
2028	0	0	1,030,305,274



October 9, 2025

(G)/L Base	Initial Base	2025 Balance	Methods	Assumptions	Assets	Liabilities	Other*	
2012	\$ 59.5	\$ 38.0	(103.0)	-	220.1	(57.6)	0.0	EAN Method Change, CRSP applied
2013	\$ 16.5	\$ 11.5	(50.7)	-	52.0	(21.2)	36.3	New Data System
2014	\$ (298.8)	\$ (149.9)	(192.1)	167.7	(255.4)	(17.7)	(1.3)	Asset/Discount Rate Change
2015	\$ (11.0)	\$ (1.8)	-	-	67.5	(44.6)	(33.9)	
2016	\$ 375.3	\$ 312.1	-	30.4	284.2	81.5	(20.9)	Exp. Study & Discount Rate
2017	\$ 127.3	\$ 108.3	-	-	18.1	95.2	14.0	
2018	\$ 143.8	\$ 126.9	-	192.0	(94.3)	34.2	11.9	Discount Rate
2019	\$ 172.7	\$ 157.0	-	-	(58.0)	208.7	22.0	
2020	\$ 113.0	\$ 105.2	-	-	103.0	0.1	9.9	
2021	\$ 486.0	\$ 462.0	-	1,175.9	(720.1)	25.6	4.6	Exp. Study, Discount Rate, Audit**
2022	\$ (0.4)	\$ (0.4)	-	-	(160.6)	104.6	55.6	
2023	\$ 95.9	\$ 94.1	-	-	(92.0)	174.4	13.6	
2024	\$ 54.7	\$ 54.2	-	-	(111.0)	155.8	9.9	
2025	\$ 115.2	\$ 115.2	-	-	(226.5)	344.9	(3.2)	
	\$ 1,449.5	\$ 1,432.5	\$ (345.7)	\$ 1,566.0	\$ (972.9)	\$ 1,083.8	\$ 118.4	

* Other includes timing of contributions, benefit increases, and faster recognition of deferred asset gains

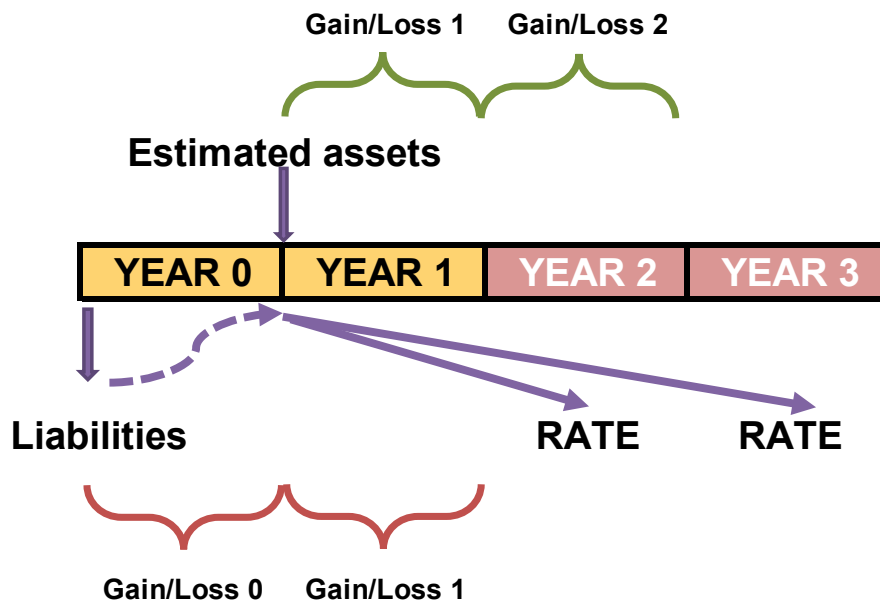
** Mostly due to Discount Rate and Mortality (\$881m), and to a lesser degree (\$295m) to changes reflecting Audit findings (COLA timing)

EAN = Entry Age Normal

CRSP = Contribution Rate Stabilization Pool

Additional detail can be found in the Appendix.

- Changes in UAL (gains or losses) are accumulated and recognized in rate setting cycle each biennium
- The delay in recognition applies to all types of changes and can be offsetting

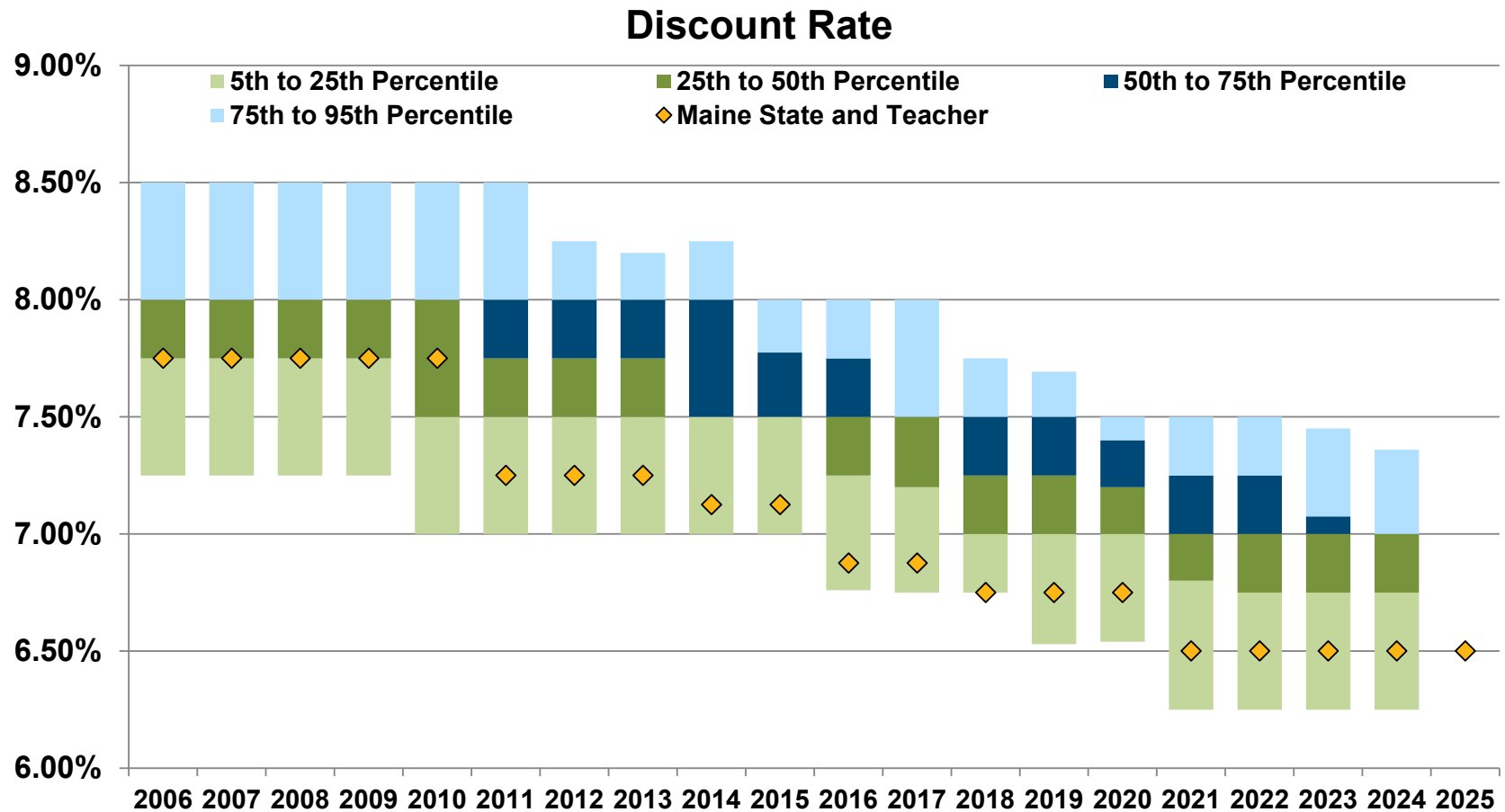


- Asset gains/losses from Years 1 and 2 will first be recognized in rates beginning in Year 4
- Liability gains/losses from Years 0 and 1 will first be recognized in rates beginning in Year 4



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RETIREMENT
RESEARCH
at BOSTON COLLEGE

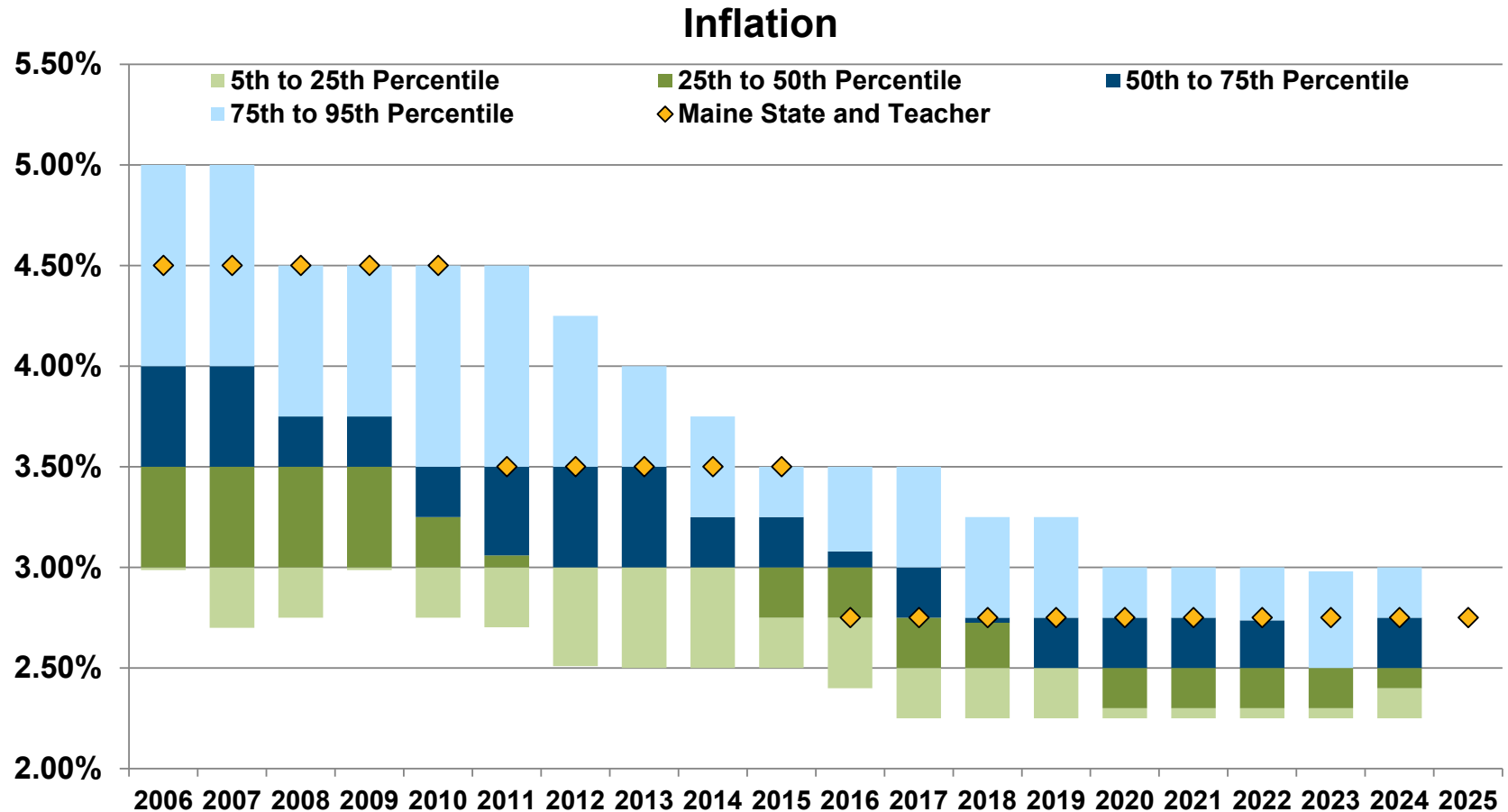
MainePERS has been consistently ahead of the curve on discount rate selection over the last 20 years



Survey Data from Public Plans Data as of 7/8/2025

October 9, 2025

MainePERS view of inflation has remained higher than most

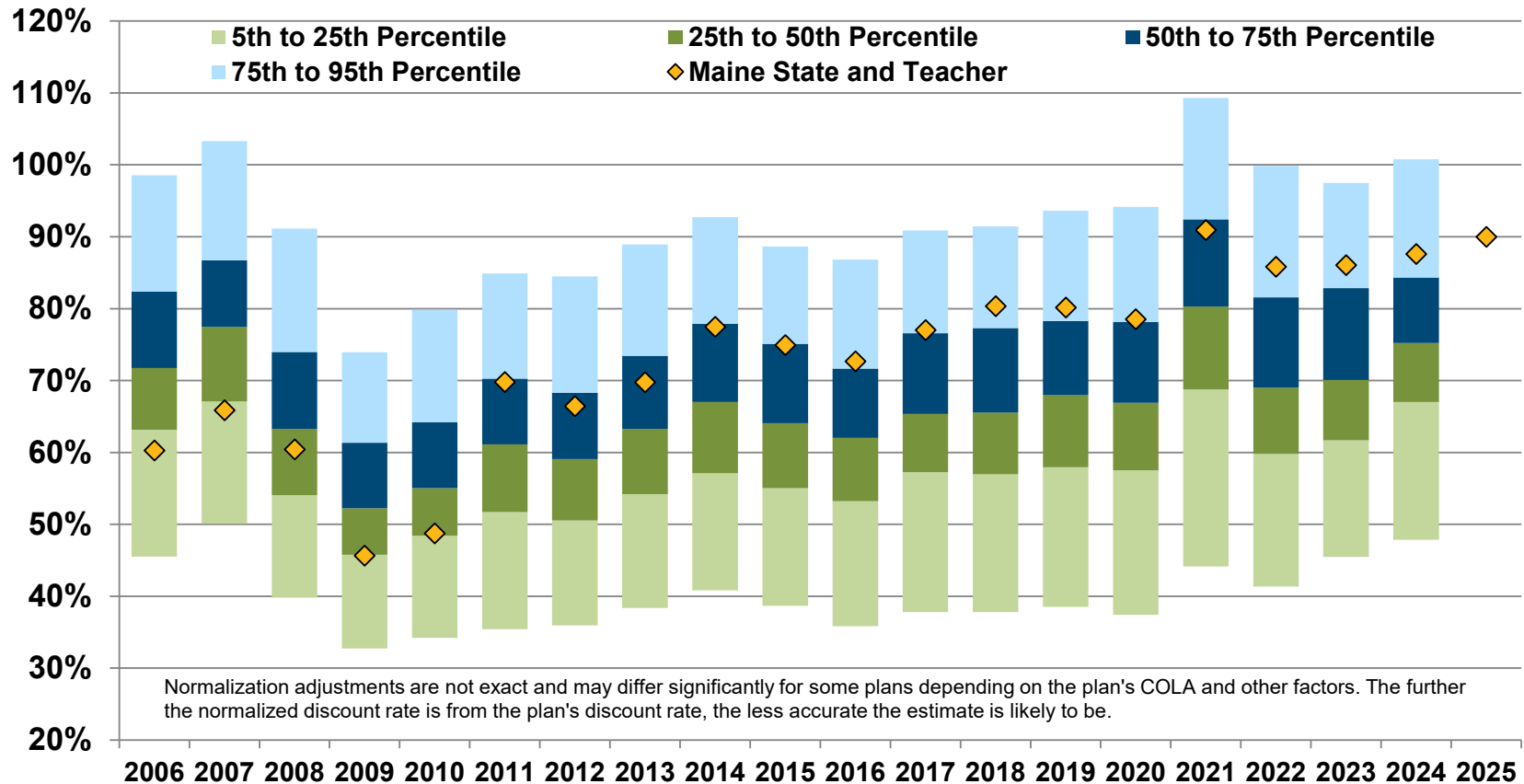


Survey Data from Public Plans Data as of 7/8/2025

October 9, 2025

MainePERS' funded status has generally been at the 75th percentile of public plans for over a decade

MVA Funded Ratio - Normalized



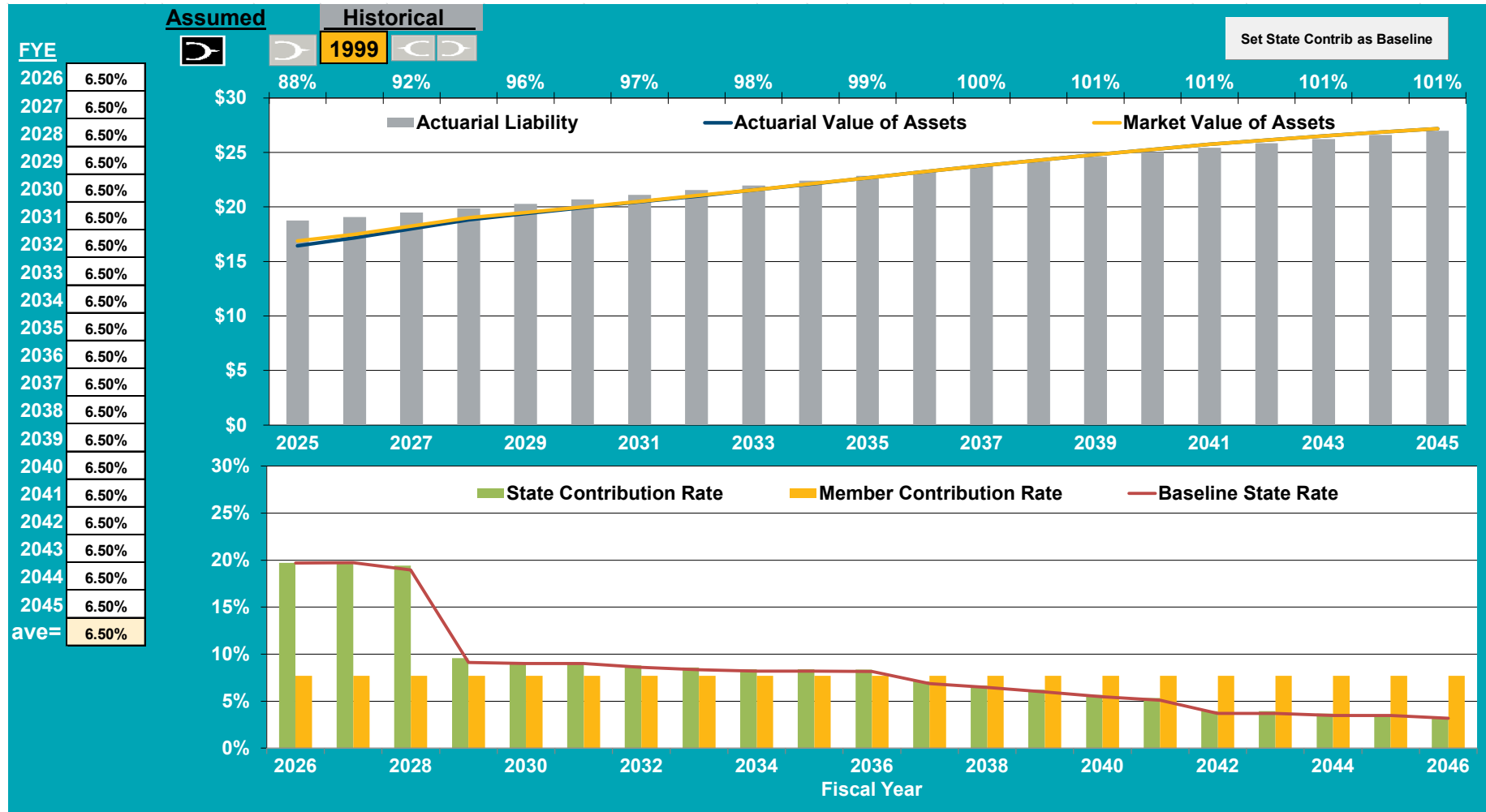
State Employee and Teacher Only

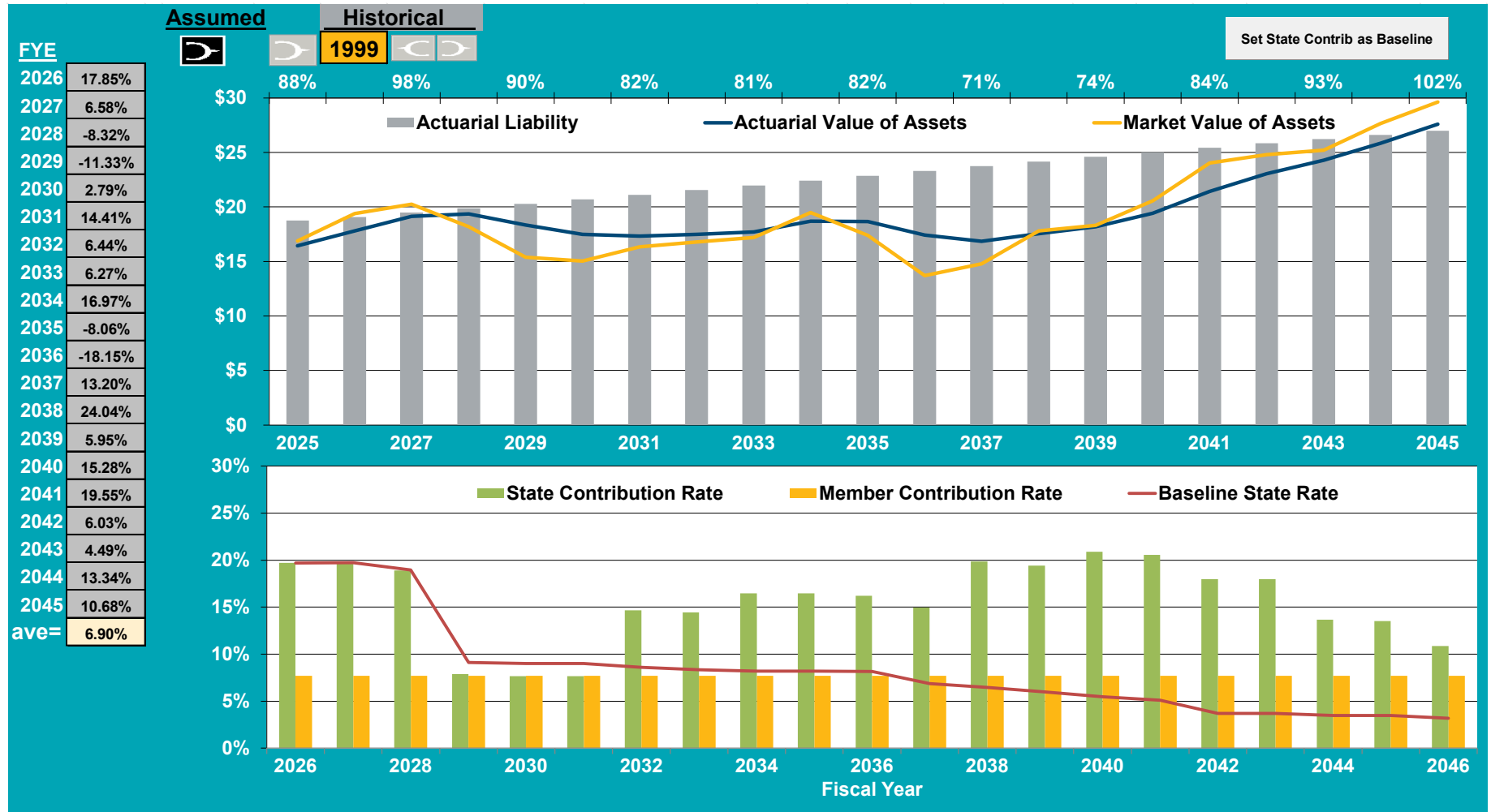
Survey Data from Public Plans Data as of 7/8/2025

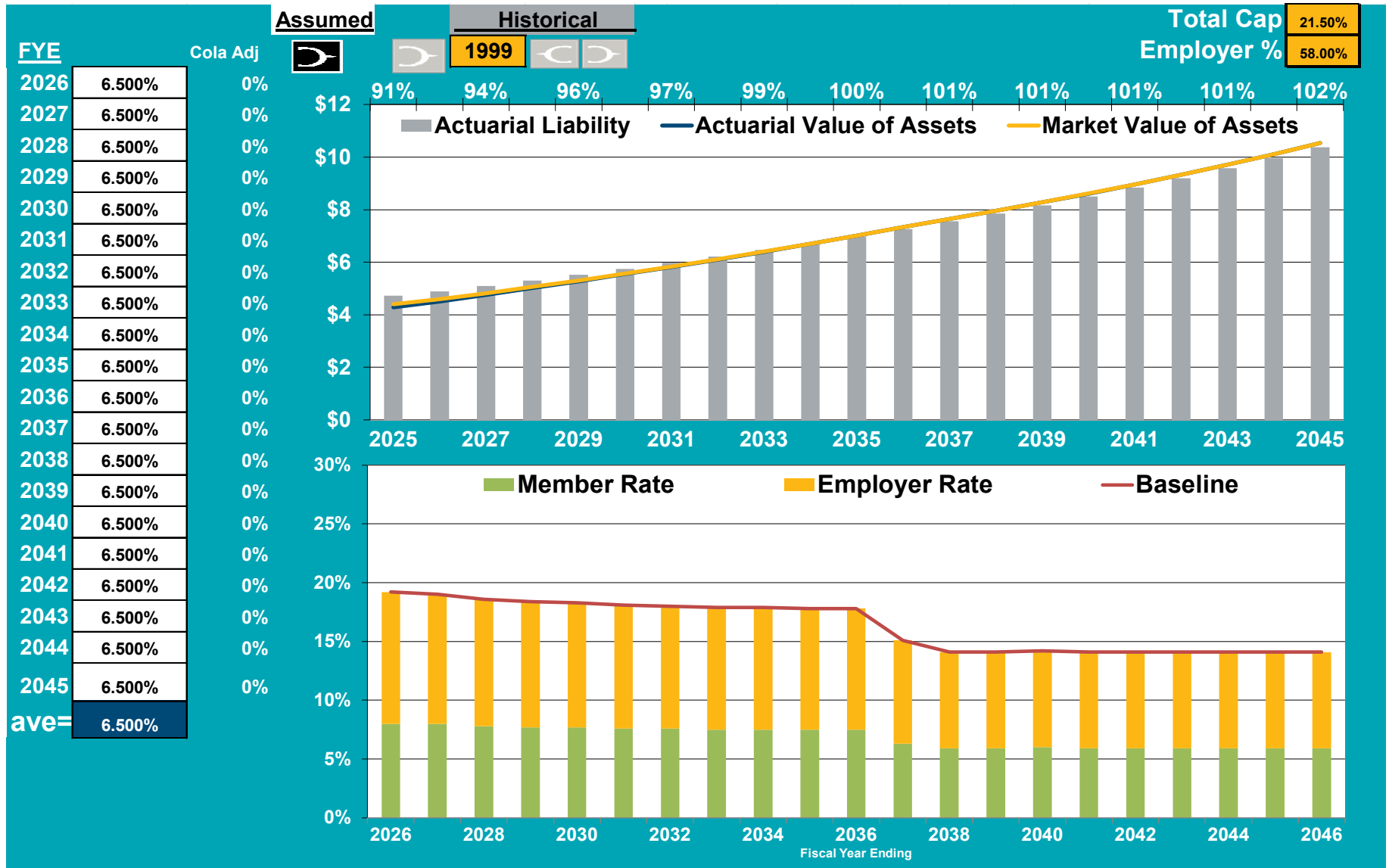
October 9, 2025

A Look Ahead



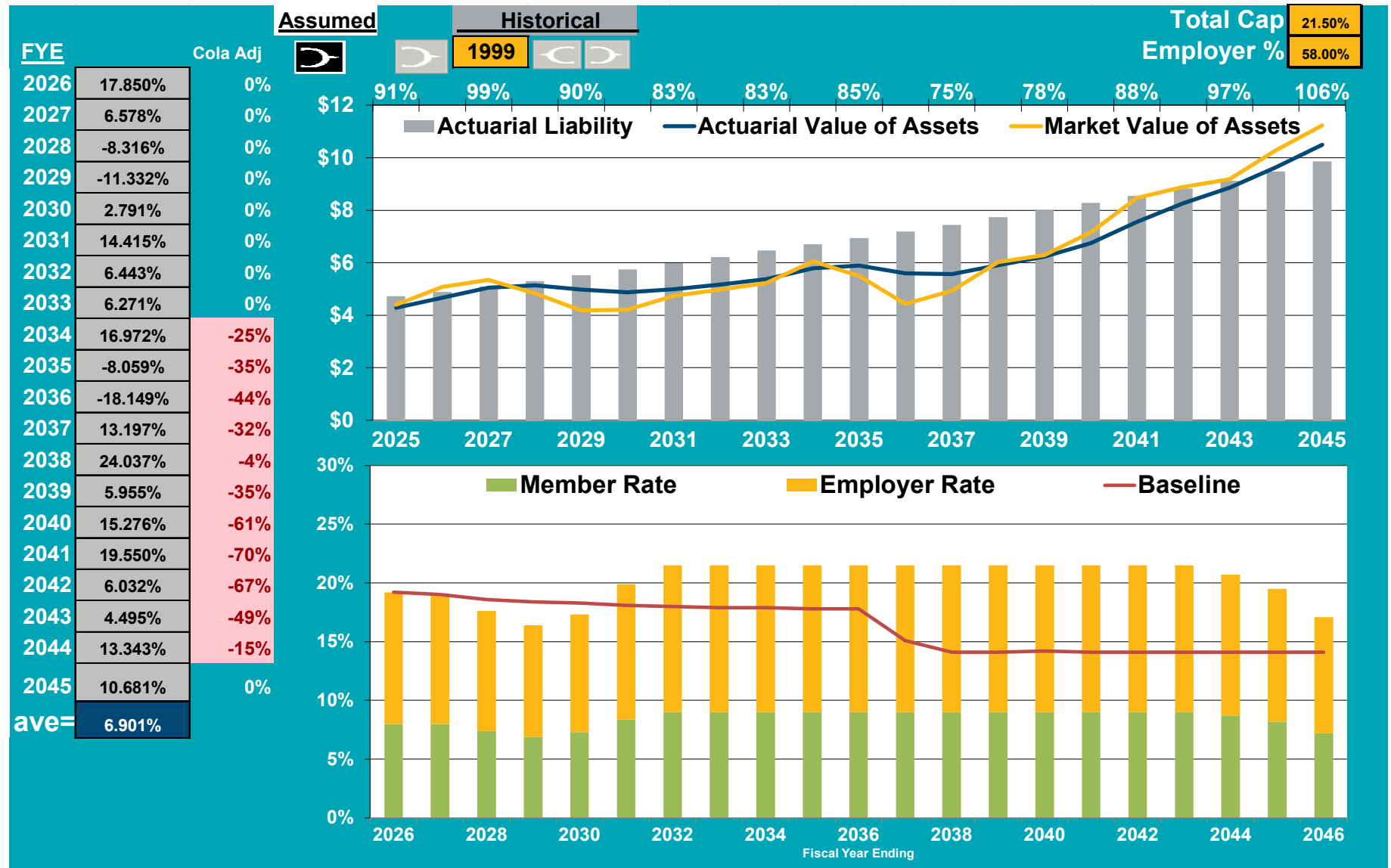






Consolidated Plans Only

October 9, 2025



Consolidated Plans Only

October 9, 2025

Retiree Group Life Insurance (GLI)

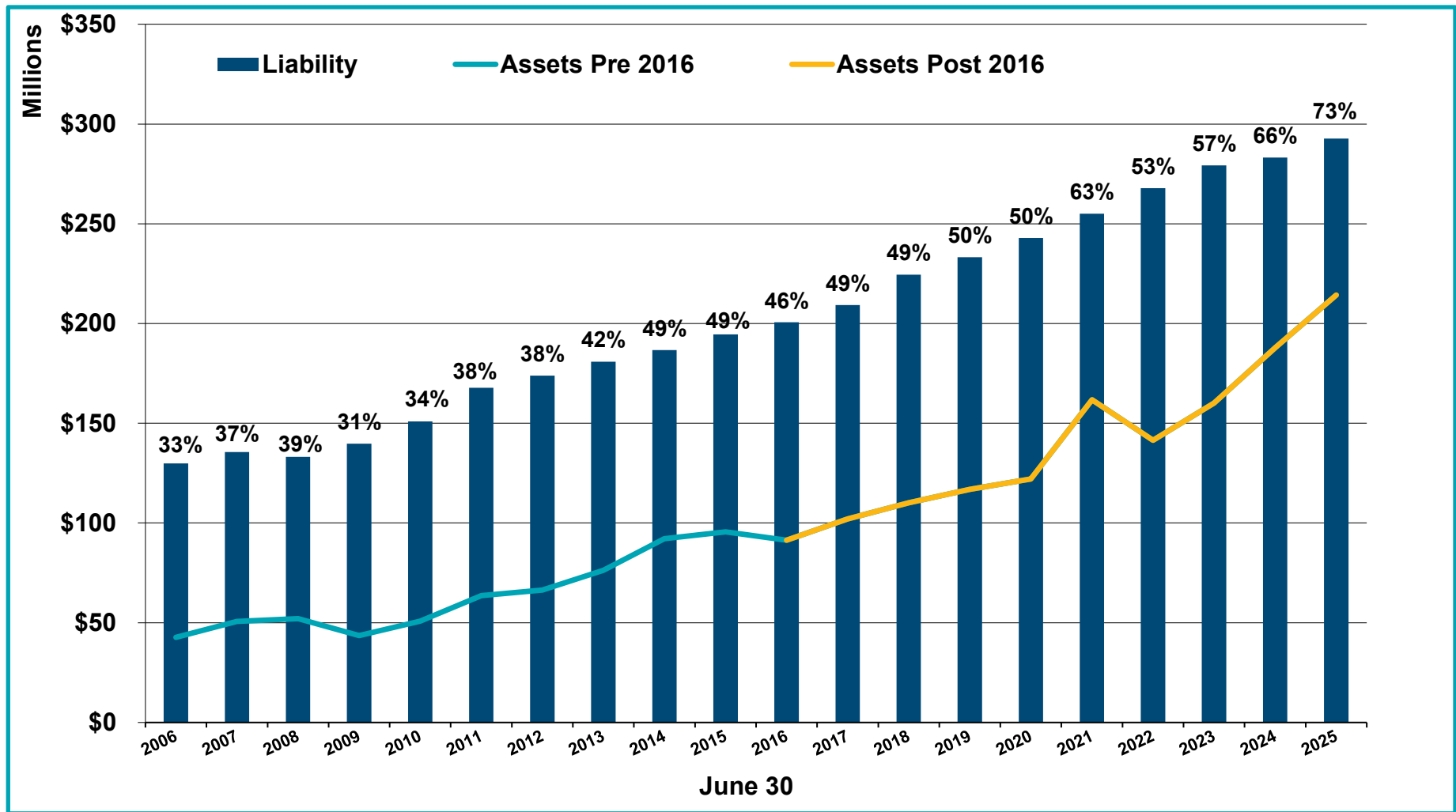


June 30, 2024		June 30, 2025				2024 to 2025 %
Total		State ¹	Teachers	PLD	Total	Change
<u>Membership²</u>						
Actives	32,415					
Active Average Age	47.2					
Average Salary	\$ 64,024					
Retirees	19,799					
Retiree Average Age	74.5					
Average Life Insurance Benefit	\$ 20,859					
<u>Assets and Liabilities</u>						
Discount Rate	6.50%	6.50%	6.50%	6.50%		
Actuarial Liability	\$ 283.2	\$ 129.1	\$ 128.0	\$ 35.7	\$ 292.8	3.4%
Market Value of Assets (MVA)	\$ 187.8	\$ 75.4	\$ 112.2	\$ 26.7	\$ 214.3	14.1%
Unfunded Actuarial Liability (UAL)	\$ 95.4	\$ 53.7	\$ 15.8	\$ 9.0	\$ 78.5	-17.7%
MVA Funded Ratio	66%	58%	88%	75%	73%	

*(\$ amounts in millions)

¹ State group includes Judicial and Legislative members as well as those in the State Employees Program.

² Valuation as of June 30, 2025 is a roll-forward so census data is the same as June 30, 2024



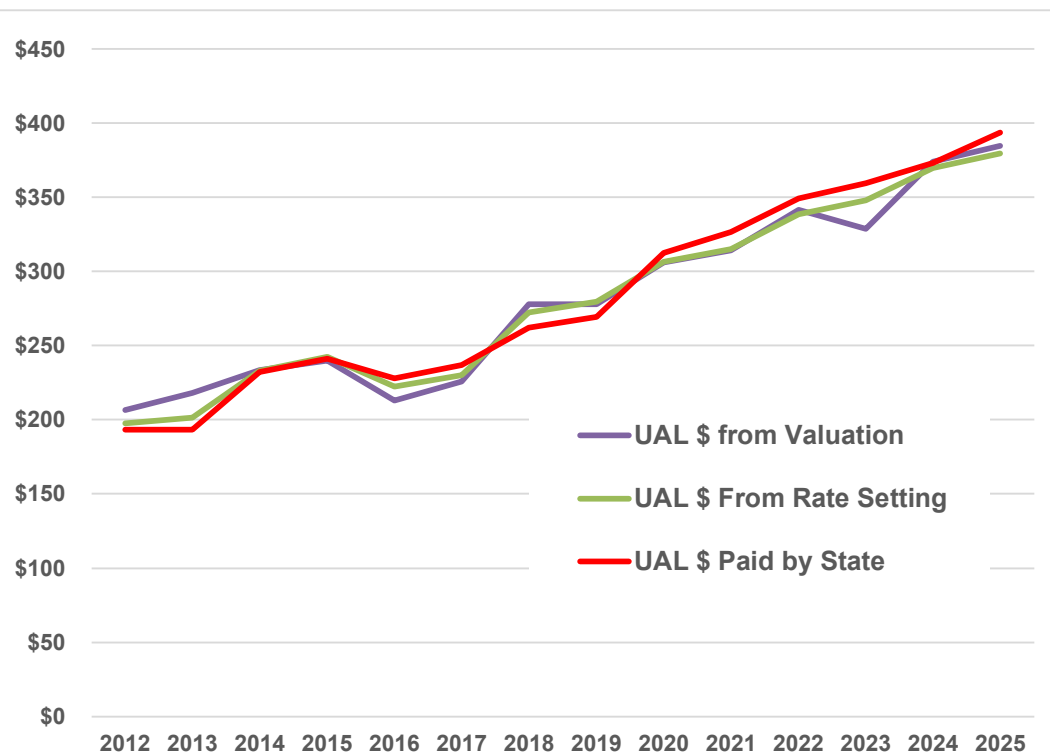
Assets as of 6/30/2016 and later are the amounts allocated to cover only retiree GLI benefits. Assets shown prior to 2016 cover both active and retiree GLI benefits.

October 9, 2025

Appendix



FYE	Dollars in Millions		
	Valuation	Rate Setting	Paid
2012	206.7	197.8	193.4
2013	217.9	201.5	193.3
2014	233.4	233.1	232.2
2015	239.8	242.6	241.0
2016	212.9	222.5	228.1
2017	226.0	230.3	237.1
2018	278.0	272.2	262.2
2019	277.9	279.6	269.5
2020	306.0	306.7	312.5
2021	314.4	315.1	326.7
2022	341.4	338.5	349.1
2023	328.8	347.8	359.4
2024	374.2	369.6	373.2
2025	384.5	379.8	393.5
Total	3,941.9	3,937.1	3,971.2



*Valuation results are adjusted to remove gains and losses that occur after budgets are established

Valuation Year	Initial (Gain)/Loss Base	2025 Balance Remaining (Gain)/Loss	Breakdown	Causes
2012	\$ 59.5	\$ 38.0	\$ (103.0)	(\$15.6) Liability Method change to Entry Age Normal
				(\$87.3) Application of Contribution Rate Stabilization Pool
			\$ 220.1	Asset loss – 4.77% AVA return
			\$ (57.6)	Liability gain
2013	\$ 16.5	\$ 11.5	\$ 0.0	Budget Timing
			\$ (50.7)	New data system
			\$ 52.0	Asset loss – 6.76% AVA return
			\$ (21.2)	Liability gain
2014	\$ (298.8)	\$ (149.9)	\$ 36.3	Budget Timing
			\$ (192.1)	Asset Method – advanced recognition of gain
			\$ 167.7	Discount Rate change from 7.25% to 7.125%
			\$ (255.4)	Asset gain – 12.2% AVA return
2015	\$ (11.0)	\$ (1.8)	\$ (17.7)	Liability gain
			\$ (1.3)	Budget Timing
			\$ 67.5	Asset loss – 6.45% AVA return
			\$ (44.6)	Liability gain – lower salary increases
2016	\$ 375.3	\$ 312.1	\$ (33.9)	Budget Timing
			\$ 30.4	\$358 Discount Rate change to 6.875%
				(\$448) Other economic assumption changes (COLA, inflation)
				\$120 Demographic assumption changes
			\$ 284.2	Asset loss – 4.42% AVA return
			\$ 81.5	Liability loss – higher salary increases, retirement experience
			\$ (20.9)	Budget Timing

Valuation Year	Initial (Gain)/Loss Base	2025 Balance Remaining (Gain)/Loss	Breakdown	Causes
2017	\$ 127.3	\$ 108.3	\$ 18.1	Asset loss – 6.82% AVA return
			\$ 95.2	Liability loss – higher COLA, fewer terms, fewer deaths
			\$ 14.0	Budget Timing
2018	\$ 143.8	\$ 126.9	\$ 192.0	Discount Rate change to 6.75%
			\$ (94.3)	Asset gain – 7.85% AVA return
			\$ 34.2	Liability loss – higher salary increases
			\$ 11.9	Budget Timing
2019	\$ 172.7	\$ 157.0	\$ (58.0)	Asset gain – 7.38% AVA return
			\$ 208.7	Liability loss – higher salary increases, higher COLA
			\$ 22.0	Budget Timing
2020	\$ 113.0	\$ 105.2	\$ 103.0	Asset loss – 5.88% AVA return
			\$ 0.1	Liability loss – higher salary increases
			\$ 9.9	Budget Timing
2021	\$ 486.0	\$ 462.0	\$ 1,175.9	\$456 Discount Rate change to 6.50%
				\$425 All other assumptions – mortality assumption biggest driver
				\$295 Audit findings
			\$ (720.1)	Asset gain – 12.61% AVA return
			\$ 25.6	Liability loss – higher salary increases offset by lower COLA
			\$ 4.6	Budget Timing

Valuation Year	Initial (Gain)/Loss Base	2025 Balance Remaining (Gain)/Loss	Breakdown	Causes
2022	\$ (0.4)	\$ (0.4)	\$ (160.6)	Asset gain – 7.70% AVA return
			\$ 104.6	Liability loss – higher salary increases, higher COLA, fewer terms
			\$ 55.6	Budget Timing
2023	\$ 95.9	\$ 94.1	\$ (92.0)	Asset gain – 7.15% AVA return
			\$ 174.4	Liability loss – higher salary increases, higher COLA
			\$ 13.6	Budget Timing
2024	\$ 54.7	\$ 54.2	\$ (111.0)	Asset gain – 7.26% AVA return
			\$ 155.8	Liability loss – higher salary increases, higher COLA
			\$ 9.9	Budget Timing
2025	\$ 115.2	\$ 115.2	\$ (226.5)	Asset gain – 7.96% AVA return
			\$ 344.9	Liability loss – higher salary increases, higher COLA, fewer terms
			\$ (3.2)	Budget Timing
Total	\$ 1,334.3	\$ 1,317.2		



- **Asset gains/losses**

- An asset gain occurs when the return (on the smoothed asset value) is higher than expected
- An asset loss occurs when the return is lower than expected
- *Examples: a return greater than the discount rate of 6.5%; a return lower than the discount rate of 6.5%*

- **Liability gains/losses**

- A liability gain occurs when the liabilities are lower than expected
- A liability loss occurs when the liabilities are higher than expected
- *Example: long-term assumptions are not met (e.g., mortality, salary increases, etc.)*

- **Assumption Changes**

- **Changes in the underlying assumptions used in the valuation of the plan**
- *Examples: lowering the discount rate; experience study adjustments to mortality, salary increases, etc.*

- **Plan Changes**

- **Changes in the plan design**
- *Example: lowering the COLA Cap from 4% to 3%; applying a COLA only to a portion of the benefit (COLA base) Note: The Maine Constitution requires that any benefit increase must be fully funded*

- **Method Changes**

- **A change in actuarial methods**
- *Example: a change in the asset smoothing period*



Classic Values, Innovative Advice

Required Disclosures

In preparing this presentation, we relied on information supplied by the Maine Public Employees Retirement System.

The actuarial assumptions, data, and methods are those used in the preparation of the latest Actuarial Valuation Report prepared for these plans as of June 30, 2025.

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

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

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October 9, 2025

MAINEPERS

BOARD OF TRUSTEES INVESTMENTS MEMORANDUM

TO: BOARD MEMBERS
FROM: JAMES BENNETT, CHIEF INVESTMENT OFFICER
SUBJECT: STRATEGIC ASSET ALLOCATION REVIEW
DATE: OCTOBER 1, 2025

At this month's meeting we will continue the strategic asset allocation review process begun this summer, beginning with Cambridge Associates and Cheiron reviewing key aspects of the work completed to date. Following this we will present, in conjunction with Cambridge Associates, a review of policy benchmarking goals, objectives, and best practices as well as introducing and discussing proposed changes to the System's policy benchmark.

Following this memo are:

- A Cambridge Associates presentation on asset class modeling and capital market assumptions
- A Cheiron presentation reviewing the methodology and key results of the Asset-Liability Study
- A Cambridge Associates presentation on benchmarking, including proposed changes to the System's policy benchmark
- A "redline" version of Appendix 4 (Policy Benchmarks) to the Board's Investment Policy Statement showing proposed changes.

POLICY REFERENCE

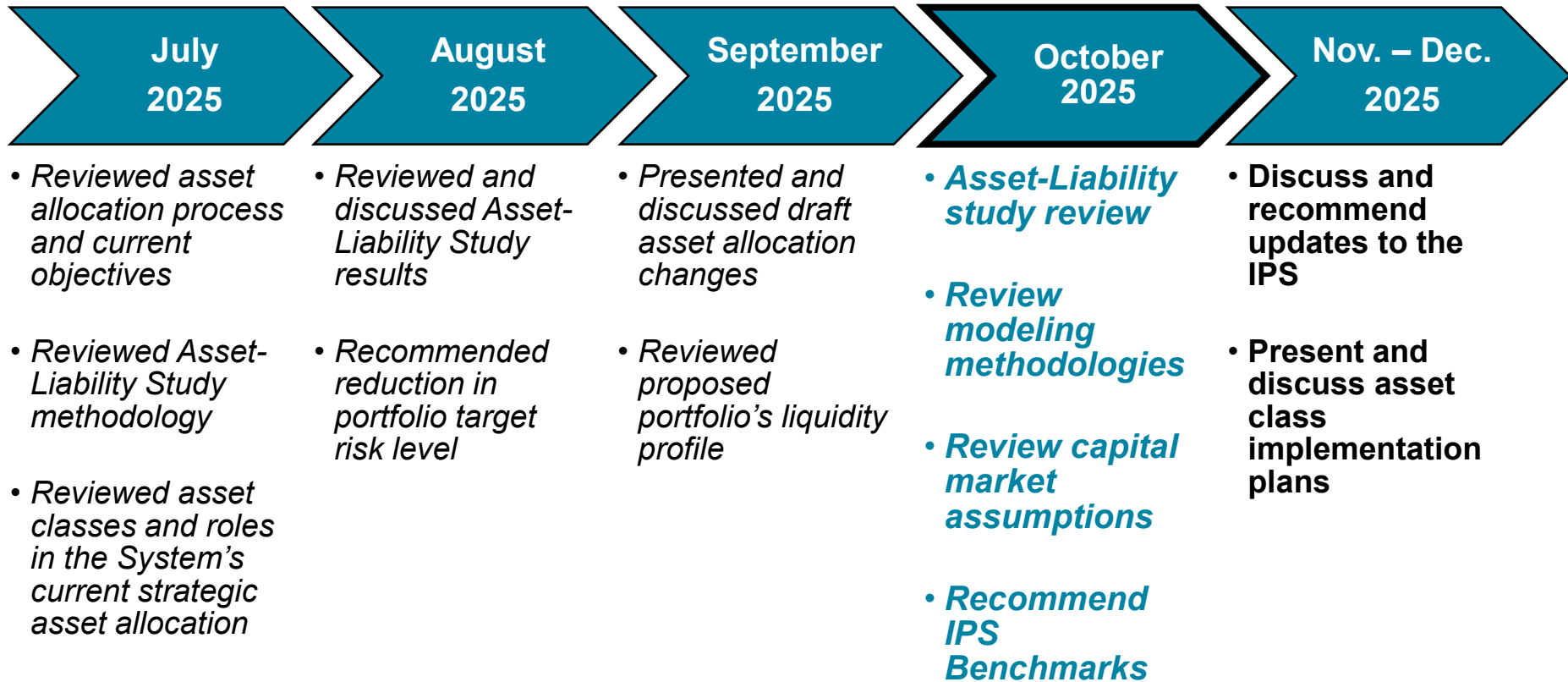
[Board Policy 2.1 – Investment Policy Statement](#)



MainePERS
PUBLIC EMPLOYEES RETIREMENT SYSTEM

Strategic Asset Allocation Review October 9, 2025

Allocation Review Timeline



Objectives for Today

Asset-Liability Study Review

- Review investment assumptions and inputs
- Review actuarial assumptions and A-L study results

Propose Changes to Policy Benchmark

- Review policy benchmark goals, challenges, and best practices
- Present and discuss proposed changes to policy benchmark
- Compare performance of current and proposed policy benchmarks

CMA MODELING



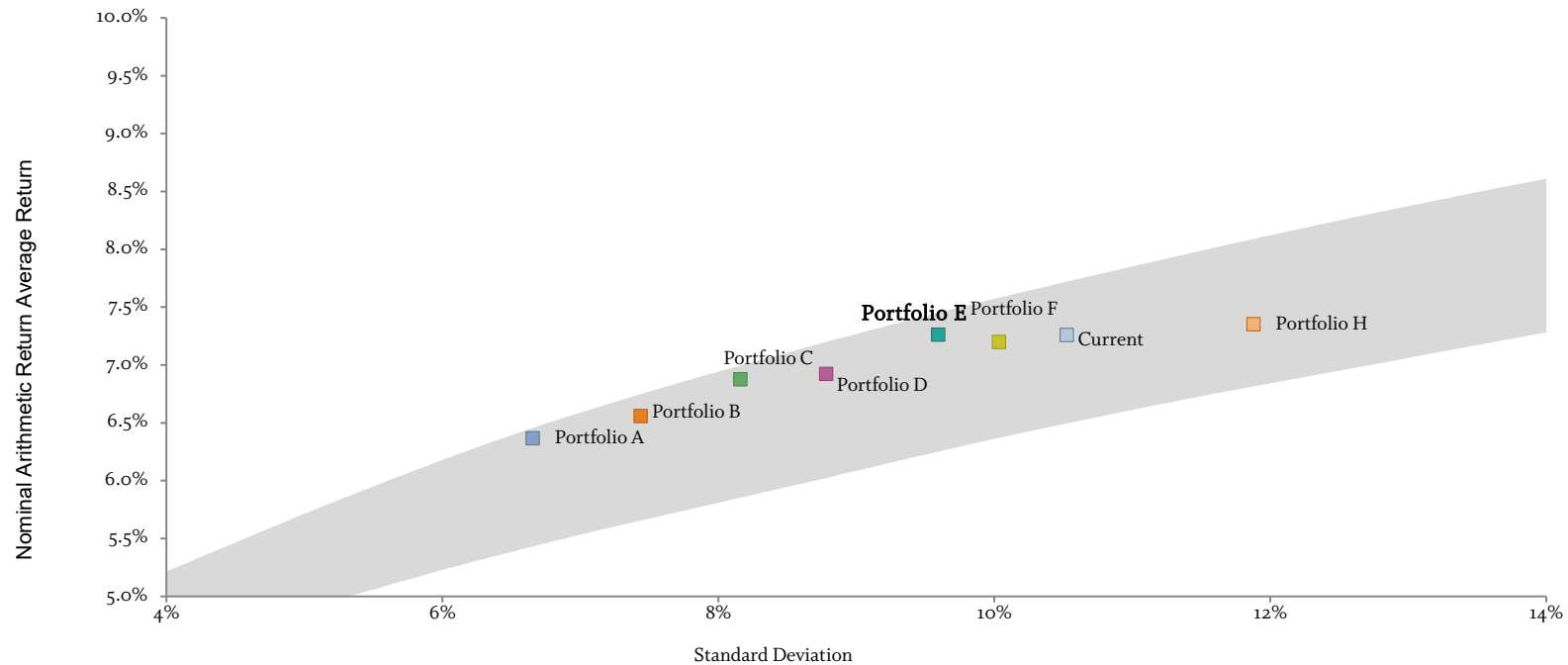
CMA Modeling: Recap

- In July, MainePERS and Cambridge developed a range of hypothetical portfolios that represent viable risk/return alternatives
- These portfolios sit within the efficient region, which charts the performance of optimized portfolios (those on the efficient frontier) under a wide range of scenarios to create a more plausible range of investment outcomes
- On the following slide, portfolios A and H are “book-end” solutions that represent bounds of an appropriate risk spectrum
 - These portfolios do not represent the lowest/highest-risk portfolios available, but they define the range of acceptable risk/return outcomes
- Portfolios B-F show changes in expected return for a constant, incremental adjustment in risk
- Using Asset-Liability simulations from Cheiron, MainePERS and CA recommended a moderate reduction in risk level consistent with the pool’s ongoing maturity and increasing liquidity needs
 - Portfolio E exhibits lower risk but is expected to preserve an appropriate amount of upside under normal market conditions

Asset Allocation Efficient Region Analysis

Portfolio Alternatives

25 YEAR BLENDED RETURN: "RTN"



RISK AND RETURN

	PORTFOLIO A	PORTFOLIO B	PORTFOLIO C	PORTFOLIO D	PORTFOLIO E (PROPOSED)	PORTFOLIO F	CURRENT	PORTFOLIO H
NOMINAL COMPOUND RETURN (%)	6.4	6.6	6.9	6.9	7.3	7.2	7.3	7.4
STANDARD DEVIATION (%)	6.7	7.5	8.2	8.8	9.5	9.9	10.6	11.6

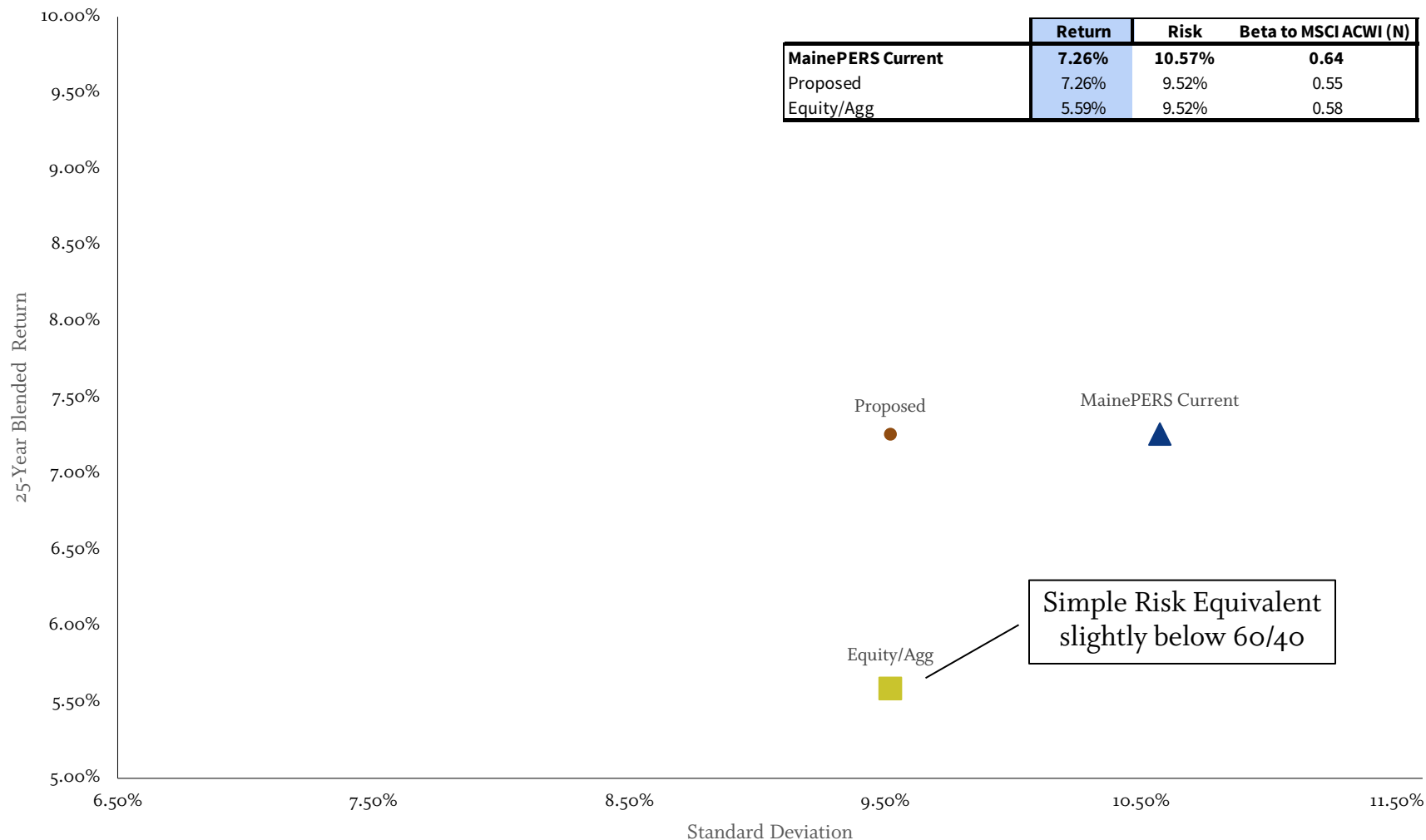


Note(s): Assumes 6/30/2025 Cambridge Associates' capital market assumptions. RTN is a variation of Cambridge Associates' 10-year capital markets assumptions. Blended return assumes 10 year Returns and 15 years of Long -Term Returns.

Previous Asset Allocation vs. Proposed Asset Allocation and Simple Risk Equivalent

'Current' reflects the **Current Allocation** with Current Policy benchmarks. 'Proposed' reflects the Proposed Allocation with Proposed Policy benchmarks.

25 YEAR BLENDED RETURN: "RTN"



Capital Market Assumptions as of June 30, 2025

	PROPOSED PORTFOLIO	LONG TERM GEOMETRIC	RTN BLEND GEOMETRIC	RTN GEOMETRIC	STANDARD DEVIATION
PUBLIC EQUITY	27.5%	8.1%	5.9%	2.7%	15.6%
PRIVATE EQUITY	10.0%	10.4%	7.9%	4.2%	15.4%
RISK DIVERSIFIERS	7.5%	7.1%	7.1%	6.9%	4.1%
REAL ASSETS	22.5%	8.1%	8.4%	8.8%	10.3%
ALTERNATIVE CREDIT	15.0%	8.9%	9.0%	9.0%	9.3%
PUBLIC FIXED INCOME	17.5%	4.9%	5.1%	5.3%	5.0%

NOMINAL GEOMETRIC RETURN	8.0%	7.3%	6.1%
STANDARD DEVIATION	9.5%	9.5%	9.5%

NOMINAL GEOMETRIC RETURN - CURRENT POLICY	8.2%	7.3%	5.9%
STANDARD DEVIATION - CURRENT POLICY	10.6%	10.6%	10.6%

MainePERS EROA over time

LONG-TERM PROJECTIONS STAY RELATIVE STABLE BUT PERIODICALLY EXPERIENCE VALUATION-BASED FLUCTUATIONS



CMA Methodology – Long Term (“Equilibrium”) & RTN

- Establishes long-term return estimates based on 25 years of historical data for most global asset classes, independent of current valuations
 - Uses historical return data from representative indexes, adjusted for inflation and cash yields
 - Add long-run inflation expectation (2.5%) to real returns for nominal estimates
- For asset classes with limited history, use longest available data and adjust periods for comparability
- Adjust historical returns if unadjusted data is too favorable, ensuring valid cross-asset comparisons
- For private assets, CA’s mPME approach used to estimate future returns
 - Based on historical outperformance, these return estimates include a premium over the mPME benchmark
- Equilibrium estimates are updated every 3-5 years
- Return to Normal (RTN) assumptions incorporate valuation adjustments into various components of asset class returns. These adjustments are based on reversion to long-term medians
 - In effect, RTN assumptions project lower returns following periods of high returns, and vice versa

CMA Methodology – Volatility and Correlation

Volatility

- Calculated from historical return data of representative asset class indexes
- Public assets volatility is estimated using monthly returns and is then annualized
- Private assets returns are adjusted to remove the smoothing effect of lagged reporting. This adjusted return series is used to derive “economic” volatility
 - This measures the systemic risk present in private markets which is otherwise not captured in the observed, or “accounting” volatility of private investments
- Volatility estimates updated every 3–5 years with historical return updates

Correlation

- Based on historical return data; frequency matches asset class (monthly for public, quarterly for private)
- Estimates are updated on a multi-year basis



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Classic Values, Innovative Advice

Educational Session

Asset Liability Modeling

October 9, 2025

Gene Kalwarski, FSA, EA, MAAA
Bonnie Rightnour, FSA, EA, MAAA
Greg Reardon, FSA, EA, MAAA

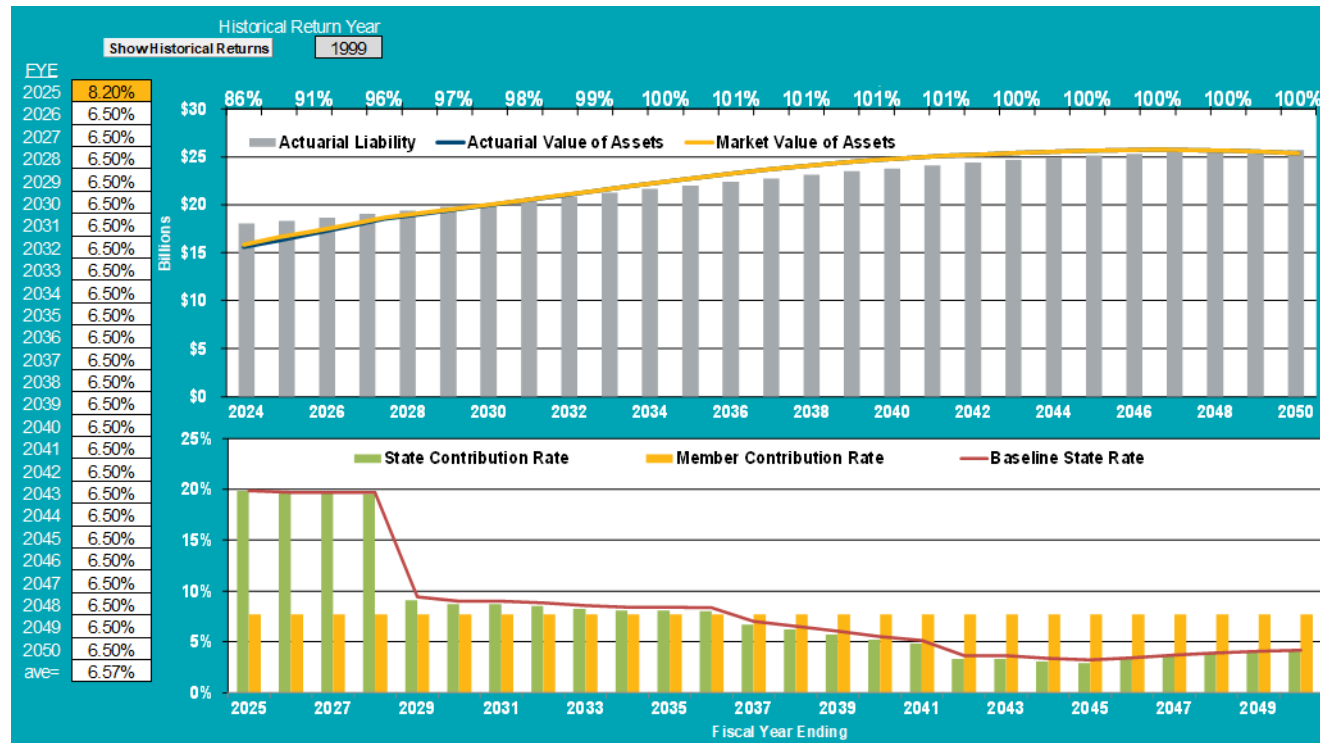




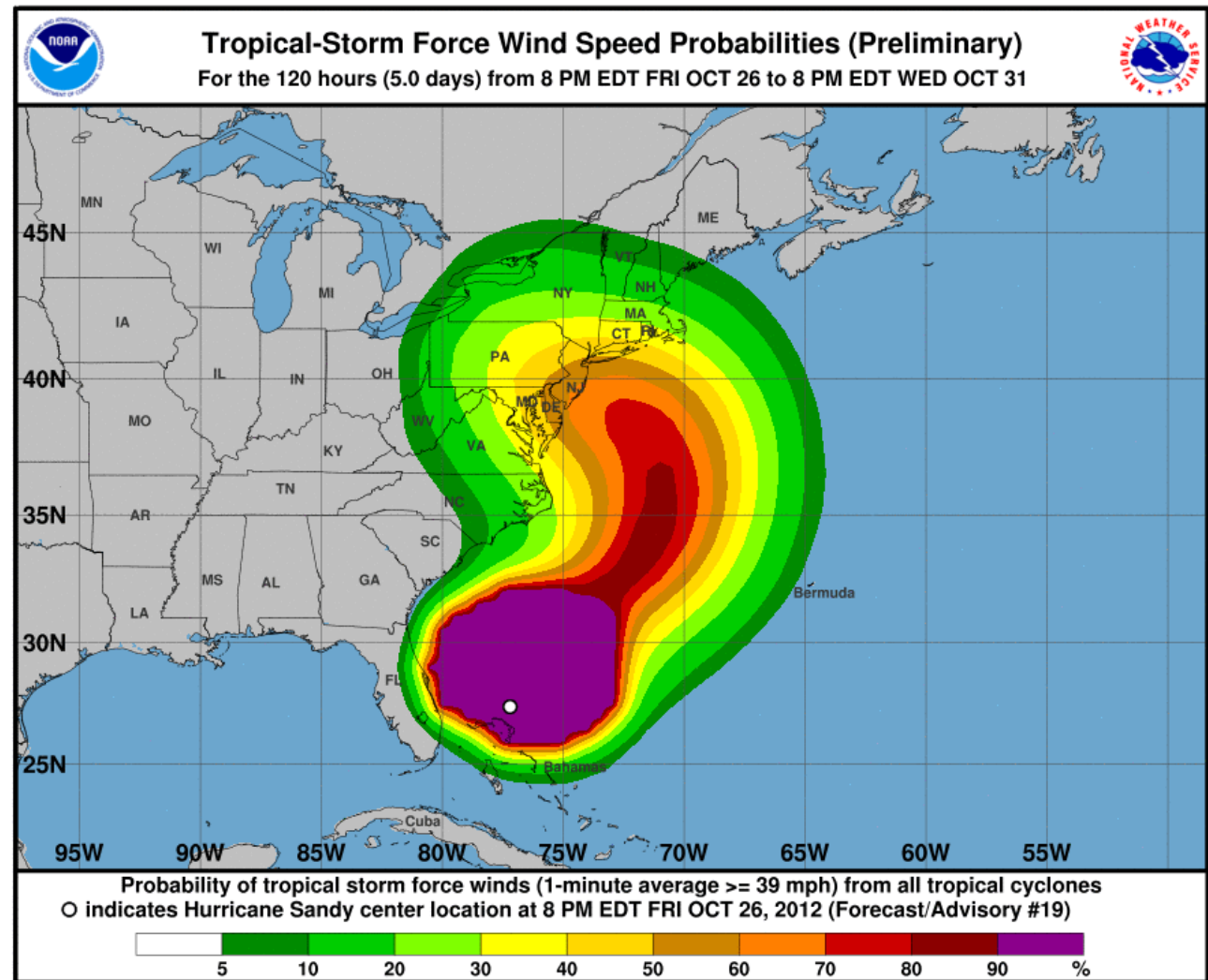
- What is stochastic modeling and how does it inform our decision-making on asset allocation?
- What was Cheiron's role in the asset/liability study?
- Why are plan demographics an important consideration in setting the asset allocation?
- What aspects of asset allocation are more industry aligned versus specific to MainePERS' plans?
- What is the Board's role in determining the asset allocation?
- What is the risk to the Plans if we get this wrong?
- Timing of asset allocation review and asset/liability studies (every five years or less/more frequent given 2028) and why this frequency/cycle is important for making course corrections

What is stochastic modeling and how does it inform our decision-making on asset allocation?

- Deterministic Projections which are based on a single set of assumptions and...
- Will not demonstrate how investment volatility will impact the projections



Familiar Stochastic Modeling?



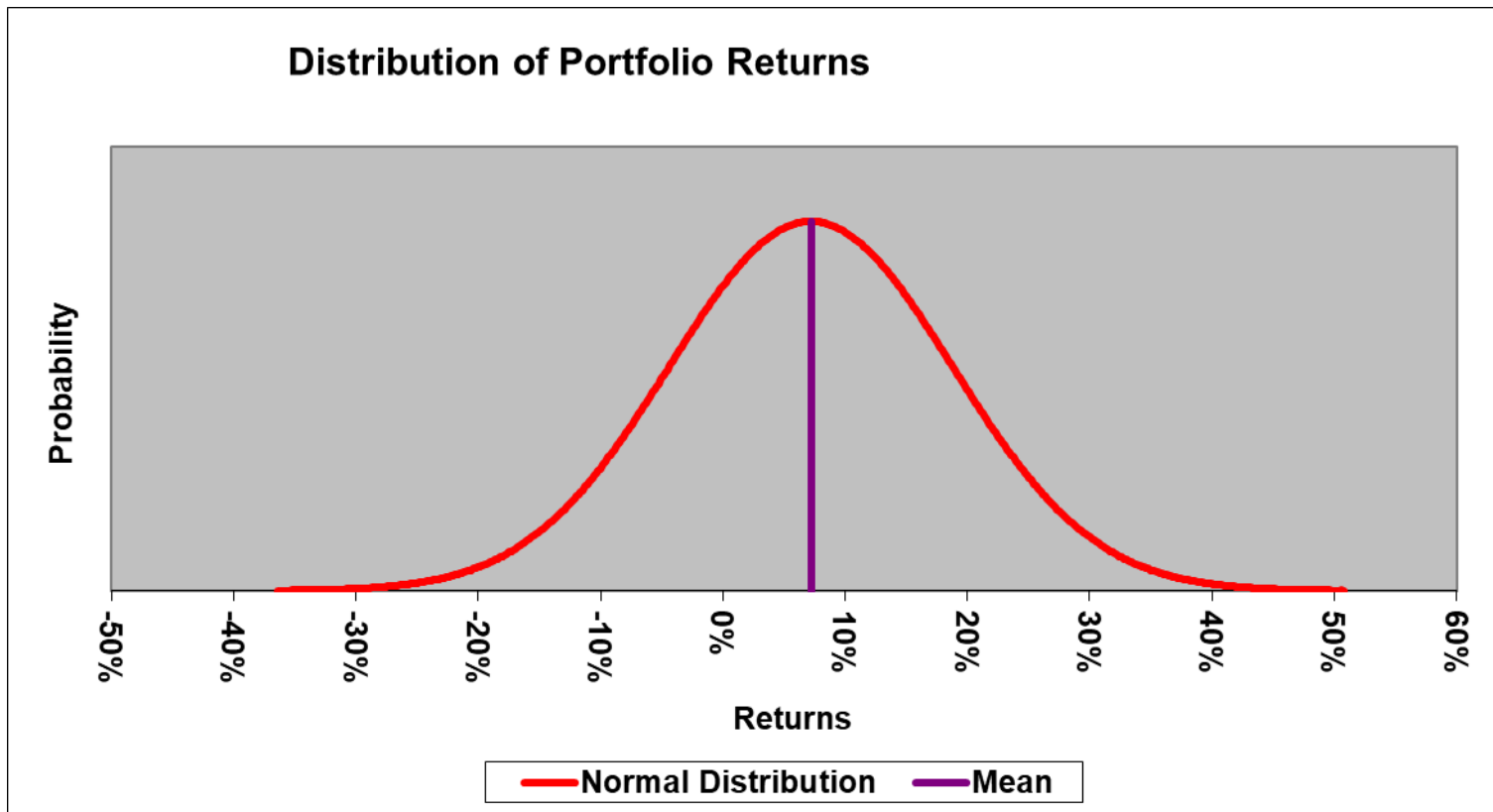
October 9, 2025

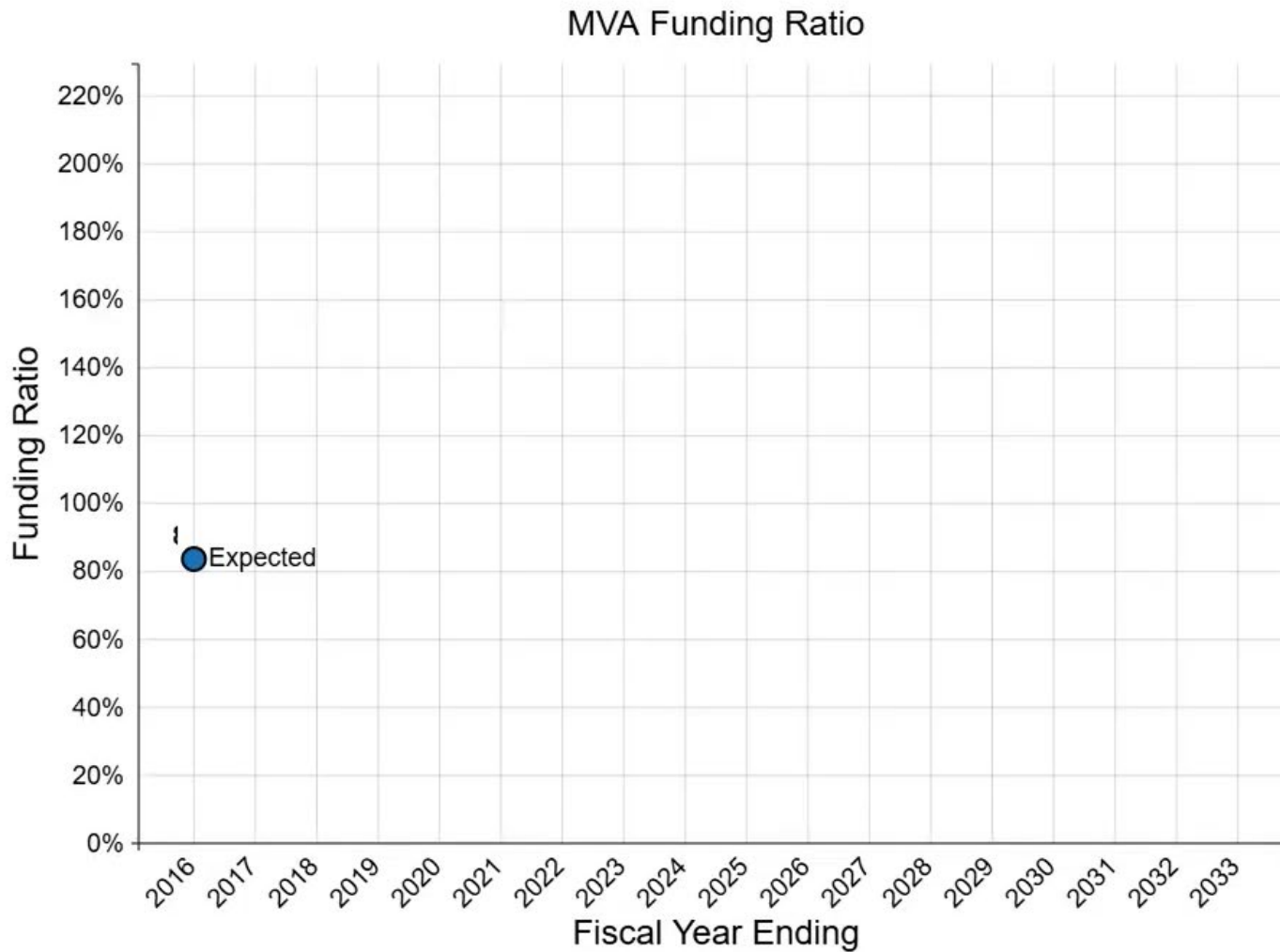
Pension Plan Stochastic Modeling

Stochastic modeling for a pension plan is a **risk assessment and forecasting technique** that uses probability distributions and simulations (rather than single-point assumptions) to project the future financial position of the plan

- **Risk Measurement:** Shows the likelihood of funding shortfalls under adverse economic conditions
- **Policy Testing:** Allows trustees to test funding policies, contribution rules, or investment strategies across many possible futures
- **Stress Testing:** Highlights “tail risks” (e.g., what happens in extreme but plausible scenarios like prolonged low returns)
- **Decision Support:** Provides Boards with probabilities instead of false certainty, aiding in strategic decisions

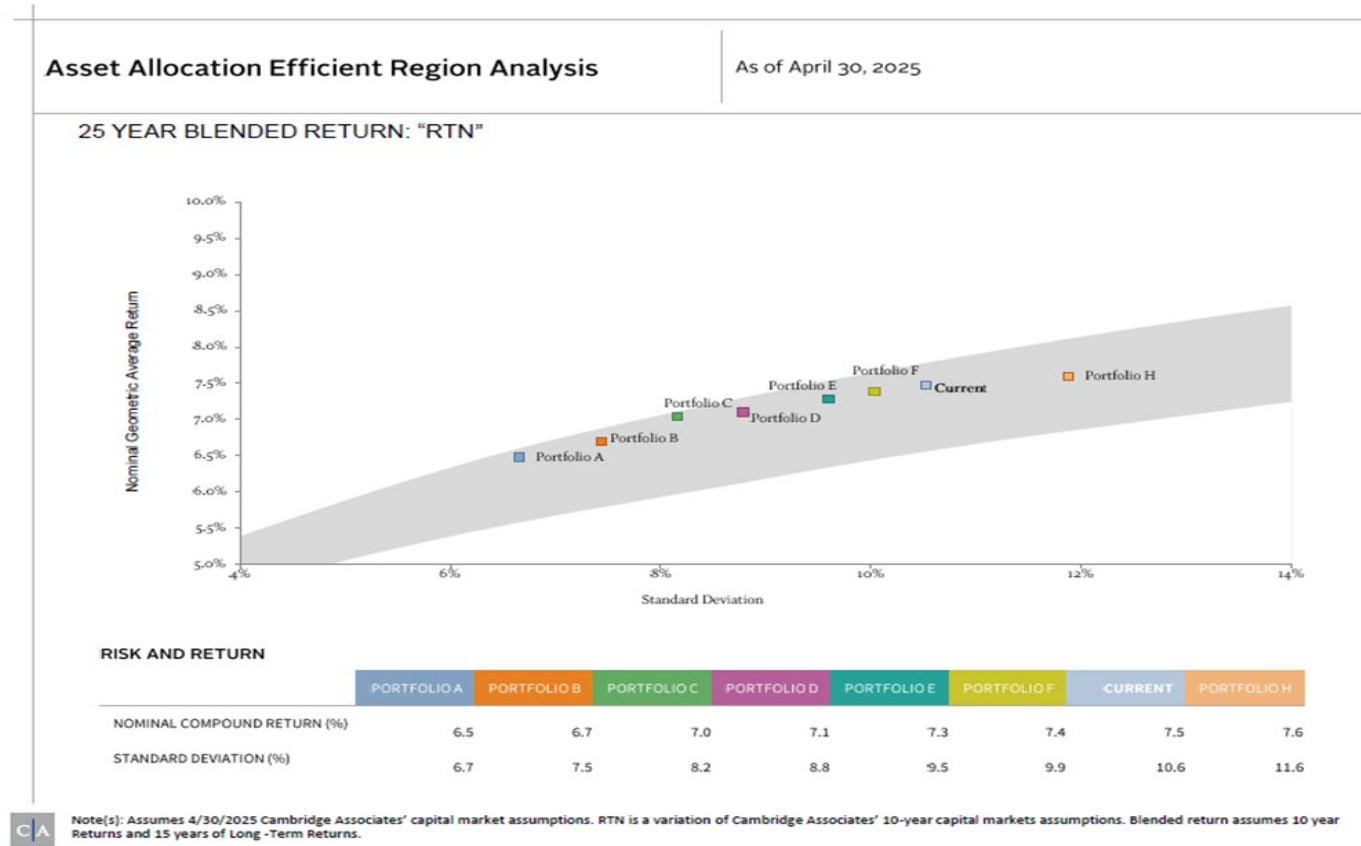
- Current Portfolio
 - Expected Investment Return 7.2%
 - Expected Volatility 11.6%





What was Cheiron's Role in the Study?

- Obtain Inputs from MainePERS
 - Portfolios to test with corresponding expected returns and standard deviations



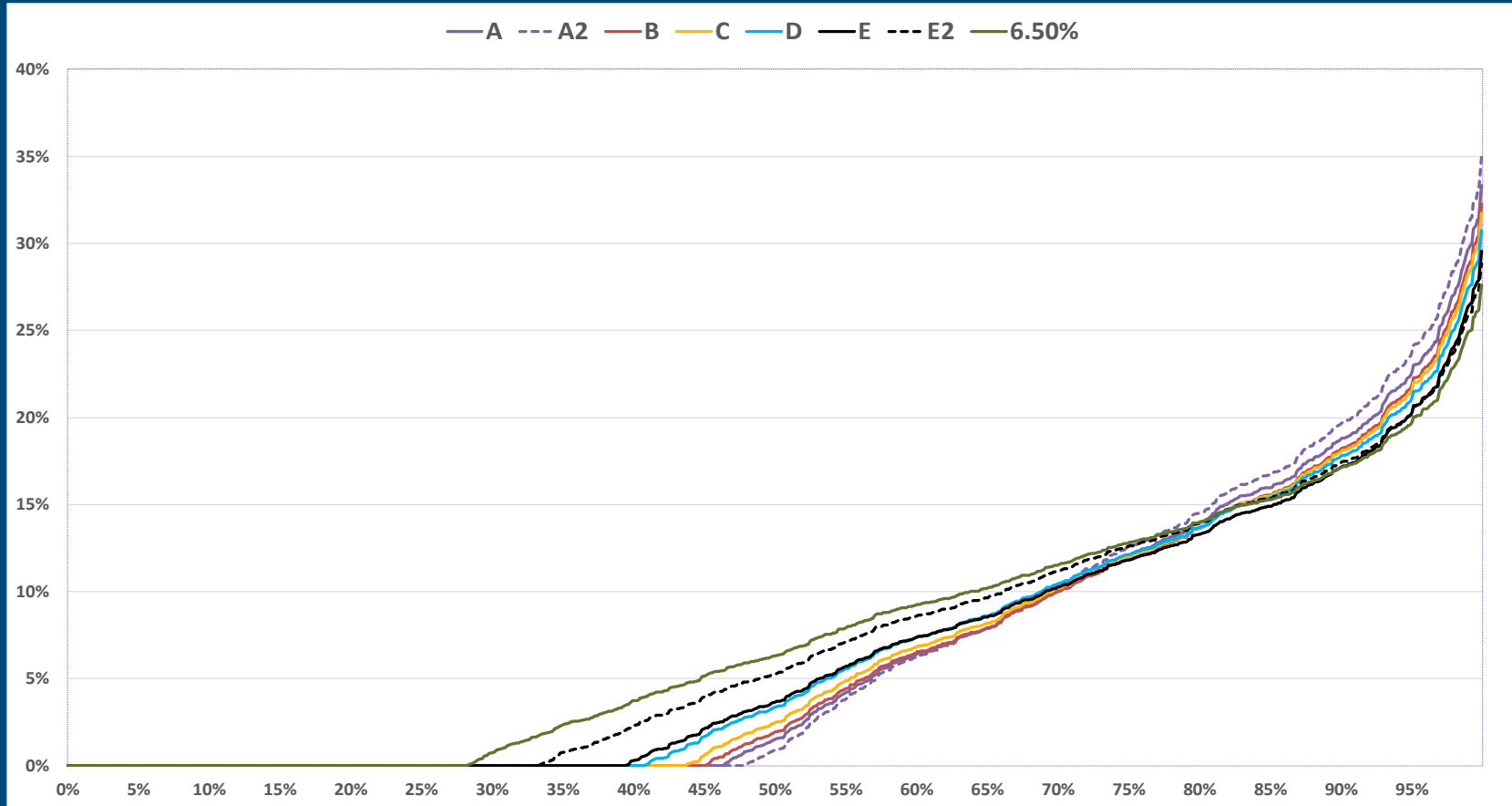


- Determine from MainePERS important metrics
 - State Contribution Rate
 - MVA Funded Ratio
 - Net Cash Flow as % of Assets
- Perform 1,000 forecasts for each portfolio
- Present MainePERS with output from model to examine the results



Projection Year **2038**

State Contribution Rate in 2038

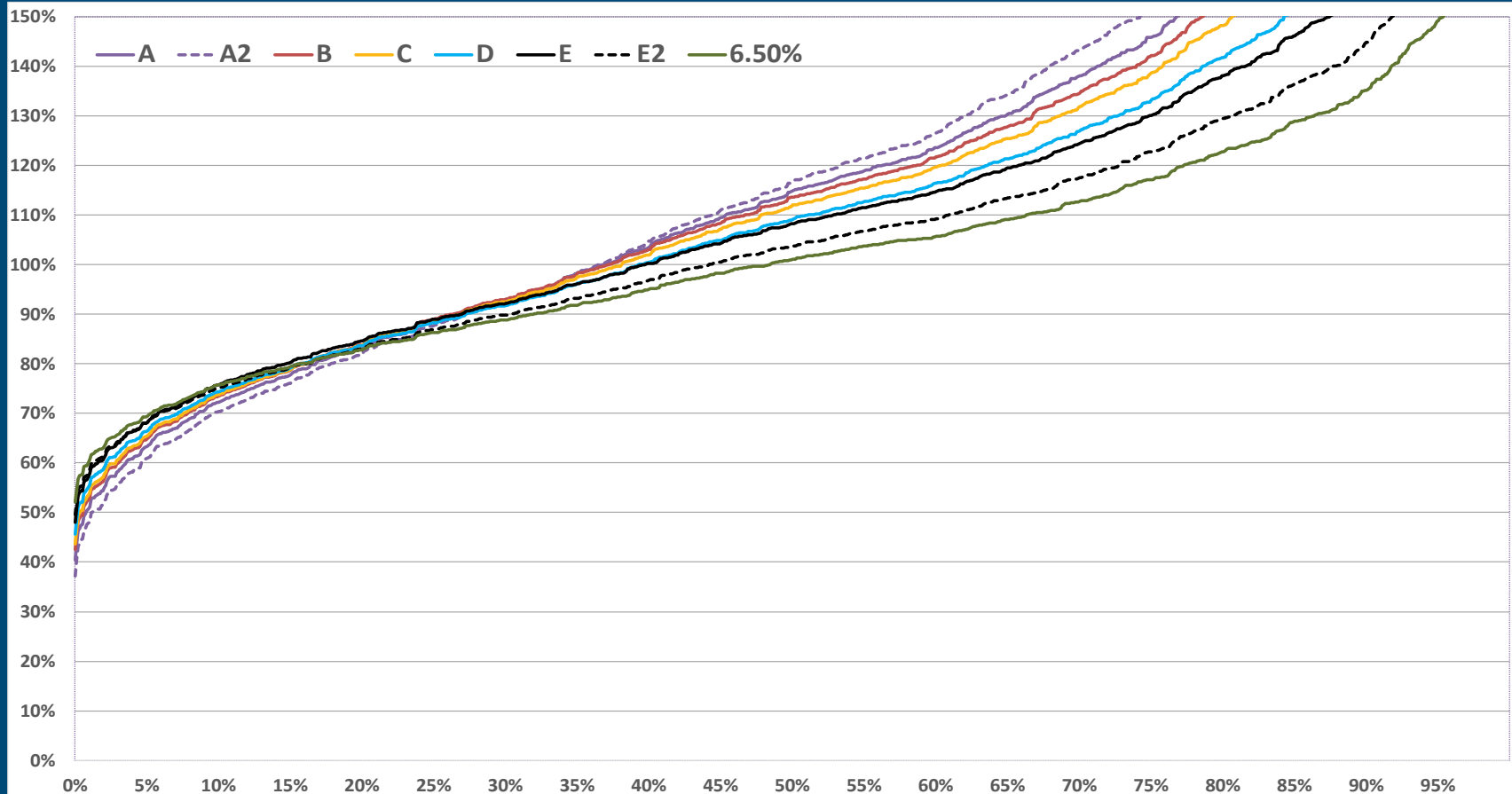


October 9, 2025



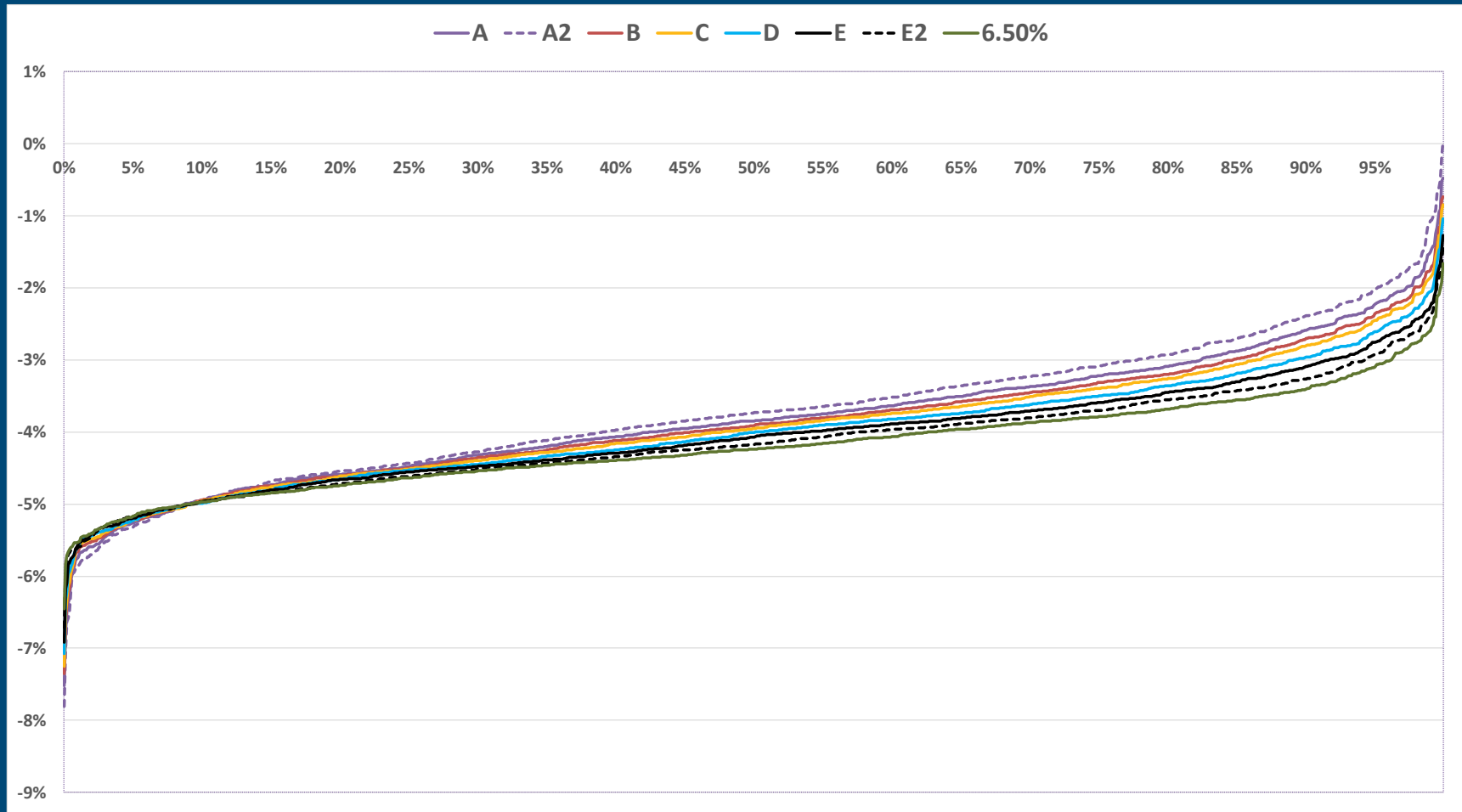
Projection Year **2038**

MVA Funded Ratio in 2038



Projection Year **2038**

NCF as % of MVA in 2038



Why are plan
demographics an
important
consideration in
setting the asset
allocation?

- Plan demographics directly impact future Plan liabilities and cash flows
- Without considering plan demographics, an ALM Study becomes merely an AM Study
- Actual investment returns are impacted by cash flows
 - Time-weighted returns are reported for investment performance comparisons and are not impacted by cash flows
 - Dollar-weighted returns are a plan's real returns and negative net cash flows significantly impact future dollar weighted investment returns

An AM Study Example



The **actuary** sets the investment assumption based on the earnings expectations of the assets

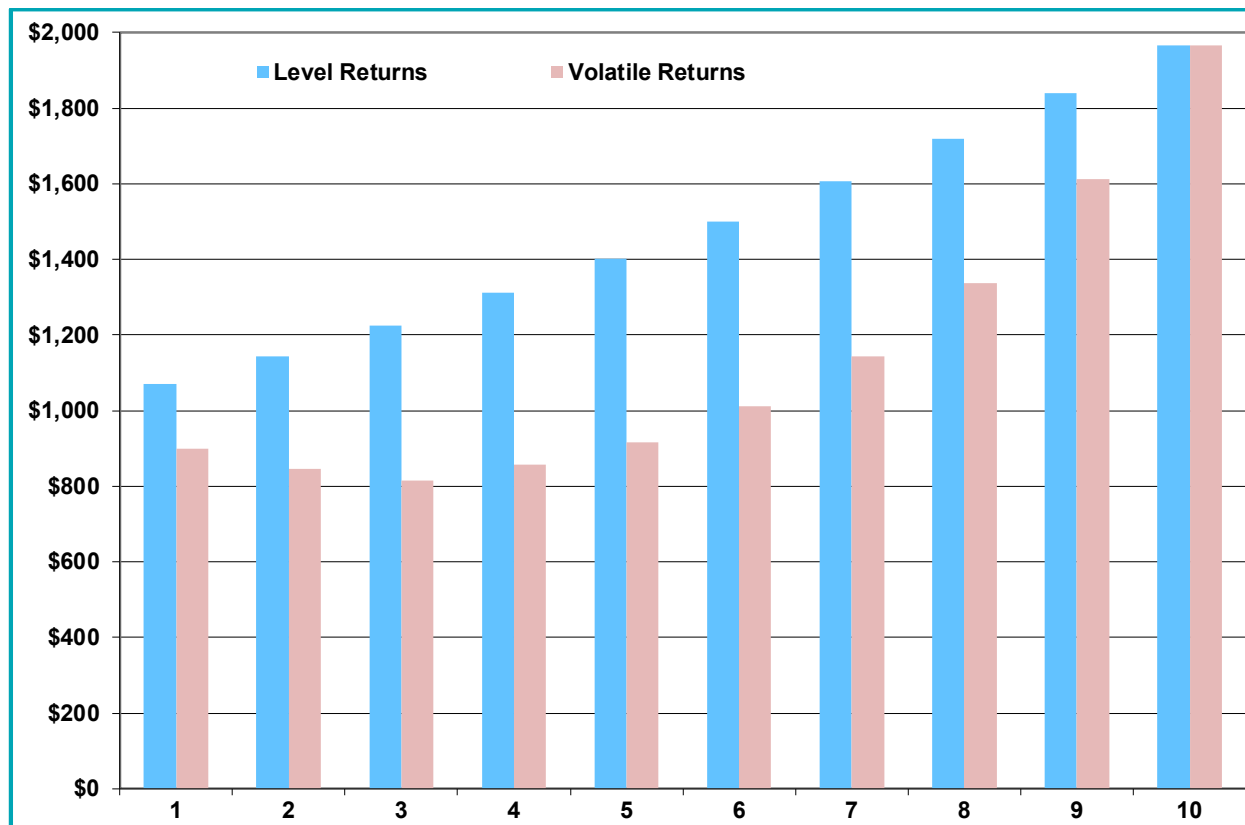
The **investment consultant** sets the asset allocation based on the discount rate of the actuary

Negative Cash Flows = 0% of Assets

Year	Net Cash Flow	Level Returns	Volatile Returns
1	\$ -	7.00%	-10.00%
2	\$ -	7.00%	-6.00%
3	\$ -	7.00%	-3.50%
4	\$ -	7.00%	5.00%
5	\$ -	7.00%	7.00%
6	\$ -	7.00%	10.30%
7	\$ -	7.00%	13.00%
8	\$ -	7.00%	17.00%
9	\$ -	7.00%	20.50%
10	\$ -	7.00%	22.00%

Returns	Level Returns	Volatile Returns
Reported	7.00%	7.00%
Actual	7.00%	7.00%

Asset Gain/(Loss) **\$0** **0%**

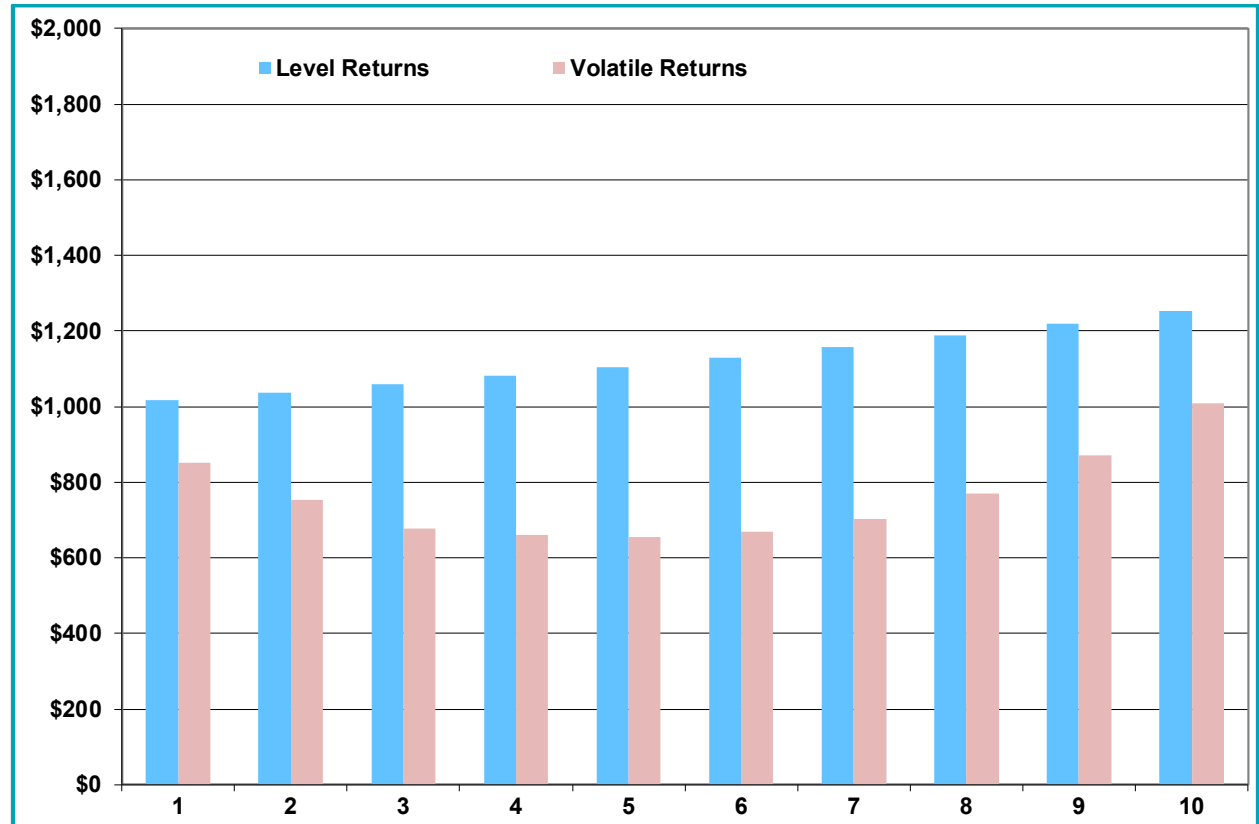


Negative Cash Flows = Level at 5% of Assets

Year	Net Cash Flow	Level Returns	Volatile Returns
1	\$ (50.0)	7.00%	-10.00%
2	\$ (50.0)	7.00%	-6.00%
3	\$ (50.0)	7.00%	-3.50%
4	\$ (50.0)	7.00%	5.00%
5	\$ (50.0)	7.00%	7.00%
6	\$ (50.0)	7.00%	10.30%
7	\$ (50.0)	7.00%	13.00%
8	\$ (50.0)	7.00%	17.00%
9	\$ (50.0)	7.00%	20.50%
10	\$ (50.0)	7.00%	22.00%

Returns Reported	7.00%	7.00%
Actual	7.00%	5.19%

Asset Gain/(Loss) **(\$244)** **-20%**

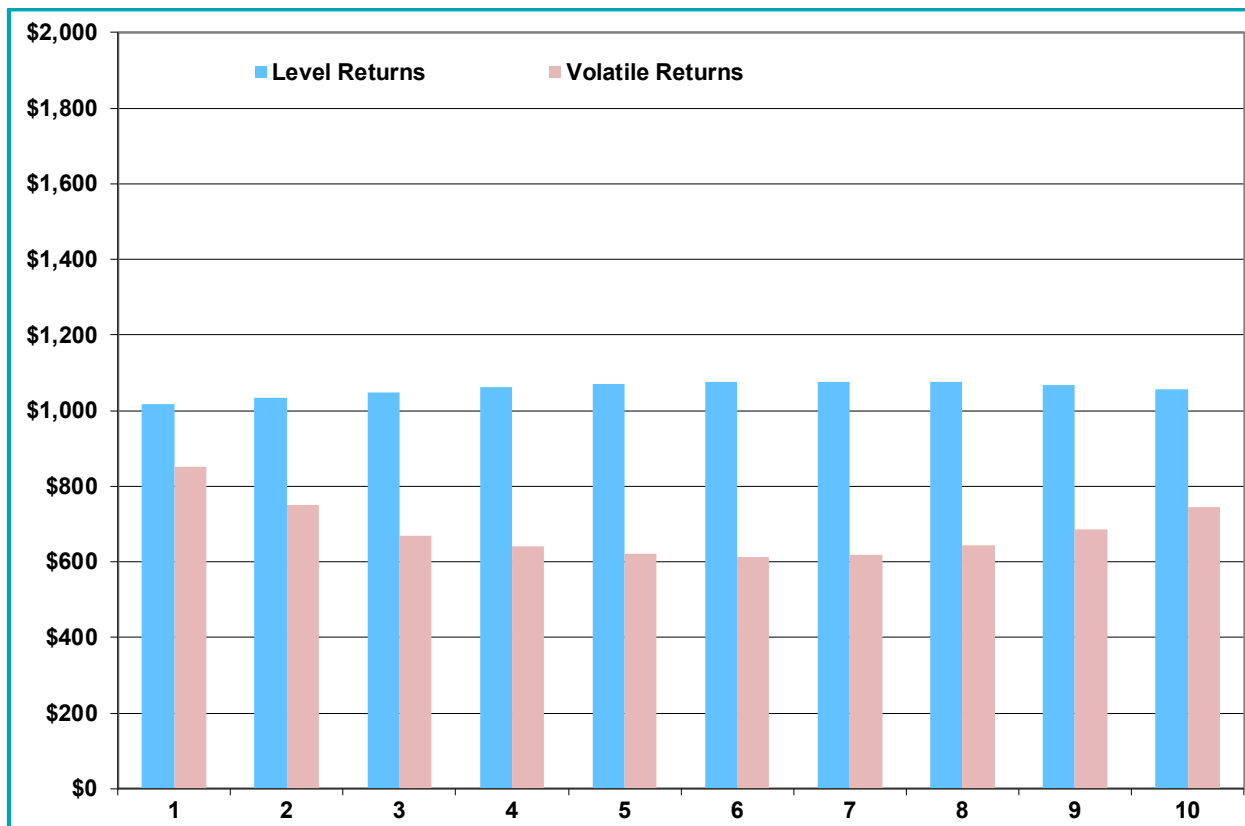


Negative Cash Flows = 5% of Assets & Growing 6% Per Year

Year	Net Cash Flow	Level Returns	Volatile Returns
1	\$ (50.0)	7.00%	-10.00%
2	\$ (53.0)	7.00%	-6.00%
3	\$ (56.2)	7.00%	-3.50%
4	\$ (59.6)	7.00%	5.00%
5	\$ (63.1)	7.00%	7.00%
6	\$ (66.9)	7.00%	10.30%
7	\$ (70.9)	7.00%	13.00%
8	\$ (75.2)	7.00%	17.00%
9	\$ (79.7)	7.00%	20.50%
10	\$ (84.5)	7.00%	22.00%

Returns Reported	7.00%	7.00%
Actual	7.00%	4.52%

Asset Gain/(Loss) **(\$311) -29%**



What aspects of asset
allocation are more
industry aligned
versus specific to
MainePERS?

Survey of Industry's Expected Returns & Volatility

Consultant	Nominal	Inflation	Real	Standard Deviation
Cambridge Associates (RTN+EQ*), 2025 Assumptions	7.20%	2.50%	4.70%	10.40%
Cambridge Associates (RTN+EQ*), 2024 Assumptions	8.10%	2.50%	5.60%	10.90%
Horizon (10-year), 2024 Assumptions	7.36%	2.40%	4.96%	12.23%
Horizon (20-year), 2024 Assumptions	7.63%	2.40%	5.23%	12.23%

* Cambridge Associates assumptions are based off of a 10-year Return To Normal assumption set followed by a 15-year equilibrium assumption set.

- When reviewing discount rate, most important factor is future expectations
- Expectations vary by:
 - Investment Firm: Horizon's survey includes assumptions from 41 different investment firms
 - Time horizon
 - Near-term expectations are also heavily influenced by recent economic events

October 9, 2025

What is the Board's role in determining the asset allocation?

1. The Investment Team and Board consultants shall annually review long-term capital market expectations and existing asset class allocations with Trustees
2. The Board shall review, and when strategically appropriate, approve recommended changes to the existing strategic asset classes, target weights, and ranges for implementation by the Investment Team

What is the risk to the Plans if we get this wrong?

- Decisions are never “right” or “wrong” as actual returns will always vary from expectations
- If on average actual returns are greater than expected, future costs will be lower and funded status higher than originally projected and vice versa

Timing of asset allocation review and asset/liability studies (every five years or less/more frequent given 2028) and why this frequency/cycle is important for making course corrections

- Most public pension funds conduct asset/liability studies every 3 to 5 years
- More frequent studies may be necessary if a major financial event occurs, a funded status milestone is achieved, or there is a material change to:
 - Plan's maturity
 - Plan's benefit formula
 - Capital market outlook
 - Contribution requirements
 - Board's goals, objectives or risk tolerance
- Timely review of asset allocations and expected returns are critical to the continued strengthening of the plan's financial soundness



Questions?

POLICY BENCHMARKING

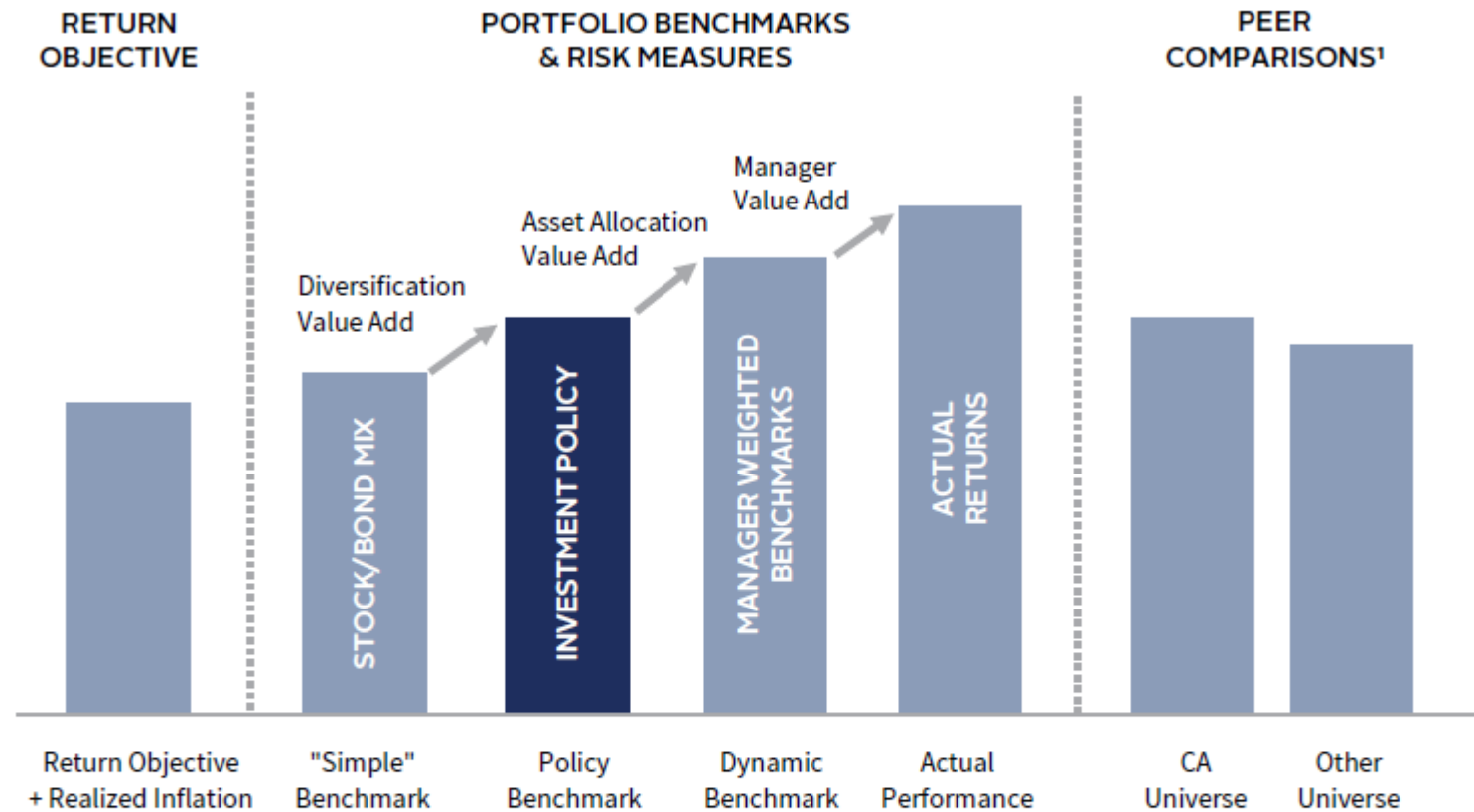


Executive Summary

- A policy benchmark is a tool to provide a representative, total portfolio figure to evaluate performance and the achievement of long-term portfolio objectives
- Its composition should reflect the asset class weightings developed in Strategic Asset Allocation and Asset/Liability evaluations
- Some asset classes are more straightforward than others while others pose significant challenges in setting an appropriate benchmark
- For private markets, MainePERS has used a mix of public market equivalents and peer group medians
- The work of the MainePERS team in conjunction with Cambridge suggests a number of adjustments for the Trustees to consider:
 - Treating harder to benchmark asset classes more consistently and aligning with best practices
 - Where there is no perfect public equivalent, proposing a reflective opportunity cost of capital with a premium, reflecting the role in portfolio of the asset class
- An analysis of the proposed adjustments shows while differences are small as one would expect, the proposed benchmark ***would have outperformed the existing benchmark***

Developing Key Reference Points

COMPONENTS OF A COMPREHENSIVE BENCHMARKING FRAMEWORK



POLICY OBJECTIVES & RISK METRICS

- Alpha
- Tracking Error
- Information Ratio
- Volatility
- Sharpe Ratio
- Beta

Developing Key Reference Points

- Focusing on the Policy Benchmark to ensure the investment approach aligns with not only the return objective, but key parameters of the pool (liquidity needs, funded status volatility)

TYPE	QUESTION	BENCHMARK	DESCRIPTION	TIME FRAME
RETURN OBJECTIVE	Have we earned enough to meet our financial objectives (e.g., earn what we spend)?	Realized Inflation + Real Return Objective	Return objective expressed in real terms, as appropriate over very long time frames	20+ Years
SIMPLE	Have we done better than an investable, simple, passive approach?	Stocks & Bonds	A mix of stocks and bonds. Reflects expected risk profile of investment policy	10+ Years
POLICY	Have we outperformed a mix of indexes that represents our long-term strategic asset allocation?	Policy Benchmark	A mix of investable benchmarks representing our “default” or “normative” position	3–5+ Years
DYNAMIC	Have we added value through our selection of active managers?	Manager Benchmark	A blend of each manager’s specific benchmark, at the weight of the manager within the portfolio	3–5+ Years
PEER GROUP	Have we outperformed other similar institutions?	Custom Peer Group	A custom group of peers with similar attributes	5+ Years
RISK MEASURES	How have we performed on a risk-adjusted basis?	Custom Risk Metrics	Specific metrics to measure risk-adjusted results (e.g., Sharpe ratio)	5+ Years

Attributes of an Appropriate Policy Benchmark

- Is a direct expression of default portfolio positioning
 - Serves as a clear mandate for day-to-day management of the portfolio
 - Should be more precise than an absolute return or a simple two-asset benchmark, but broader than a benchmark that measures manager selection or performance relative to peers.
- Applies a consistent framework across all asset classes with appropriate return metrics
 - Mixing different frameworks at the asset class level (e.g., peer comparisons vs. opportunity costs) complicates performance evaluation at the total portfolio level
- Reflects appropriate opportunity cost
 - E.g. a private equity investment funded from public equity should be benchmarked to a public equity index
- Incorporates dynamic weighting for asset classes with variable exposures
 - Used to neutralize shifts that do not reflect intentional investment decisions
 - E.g. Using ACWI geographic weights rather than static targets for global public equities to avoid implicit regional bets

Policy Review Summary: Recommendation of Changes

CURRENT				PROPOSED		
ASSET CLASS	POLICY BENCHMARK	WEIGHT		ASSET CLASS	POLICY BENCHMARK	WEIGHT
PUBLIC EQUITY	R3000 & MSCI ACWI EX US	30.0%	➡	PUBLIC EQUITY	R3000 & MSCI ACWI EX U.S. IMI	27.5%
PRIVATE EQUITY	R3000+3% (LAG)	12.5%	➡	PRIVATE EQUITY	R3000+3% (LAG)	10.0%
RISK DIVERSIFIERS	0.3 * ACWI	7.5%	➡	RISK DIVERSIFIERS	90 DAY T-BILLS + 3%	7.5%
REAL ASSETS	NCREIF PROPERTY INDEX	10.0%	➡	REAL ASSETS	CPI + 3%	22.5%
INFRASTRUCTURE	CJA INFRASTRUCTURE MEDIAN (LAG)	10.0%	➡			
NATURAL RESOURCES	CJA NATURAL RESOURCES MEDIAN (LAG)	5.0%	➡			
ALTERNATIVE CREDIT	50/50 U.S. HY/LTSA LL	10.0%	➡	ALTERNATIVE CREDIT	LTSA LL	15.0%
TRADITIONAL CREDIT	U.S. AGG EX-TSY	5.0%	➡	PUBLIC FIXED INCOME	40% U.S. AGG EX-GOV/ 30% U.S. GOV/ 30% U.S. TIPS	17.5%
US GOVERNMENT	50/50 TSY/ U.S. TIPS	10.0%	➡			

Policy Review Summary: Description of Changes

PROPOSED ASSET CLASS	DESCRIPTION OF CHANGES
PUBLIC EQUITY	<ul style="list-style-type: none"> • Reduce allocation by 2.5% • No change to U.S. exposure. Within the non-U.S. component, benchmark change from MSCI ACWI ex-U.S. to MSCI ACWI ex-U.S. IMI • Rationale: ACWI IMI includes small caps and is consistent with the overall intent of global equity exposure across the capitalization spectrum. The Russell 3000 is similarly an all-cap U.S. benchmark
PRIVATE EQUITY	<ul style="list-style-type: none"> • Reduce Allocation by 2.5%
RISK DIVERSIFIERS	<ul style="list-style-type: none"> • Benchmark change from 0.3 * ACWI to 90-Day T-Bills + 3% • Rationale: Reflects the appropriate funding source and objective; deliberately not public equity beta
REAL ASSETS	<ul style="list-style-type: none"> • Consolidates previous sub-asset classes: Natural Resources, Real Estate, Infrastructure • Reduce allocation by 2.5% • Benchmark change from private, peer-comparison indexes to CPI + 3% • Rationale: Reflects role in portfolio with an opportunity cost of capital; more consistently measurable in real time. Removes tracking error effects from index composition mismatches
ALTERNATIVE CREDIT	<ul style="list-style-type: none"> • Increase allocation by 5% • Benchmark change from 50%/50% U.S. High Yield / LTSA LL Index to LTSA LL Index • Rationale: More precise definition of the opportunity set & consistent with higher intended exposure to opportunistic segment of the credit universe
PUBLIC FIXED INCOME	<ul style="list-style-type: none"> • Consolidates previous sub-asset classes: Traditional Credit, U.S. Government • Increase allocation by 2.5%

Additional Benchmarking Lenses to Evaluate Peers

- In addition to the policy benchmark setting and adjustments, we will continue to provide a peer performance lens in the asset class reviews to better enable measurement vs. the investable universe
- Cambridge will add this lens to its regular quarterly reporting in summary form
- Additional datasets and sources to help augment the existing *total portfolio* peer group analysis will be considered for Trustee information

Asset Class Peer Benchmark Reporting Examples

ASSET CLASS	POSSIBLE PEER-FOCUSED BENCHMARK
PRIVATE EQUITY	C A PRIVATE EQUITY MEDIAN (LAG)
RISK DIVERSIFIERS	HFRI FOF CONSERVATIVE
REAL ESTATE	NCREIF PROPERTY INDEX
INFRASTRUCTURE	C A INFRASTRUCTURE MEDIAN (LAG)
ALTERNATIVE CREDIT	C A OR CLIFFWATER MEDIAN (LAG)

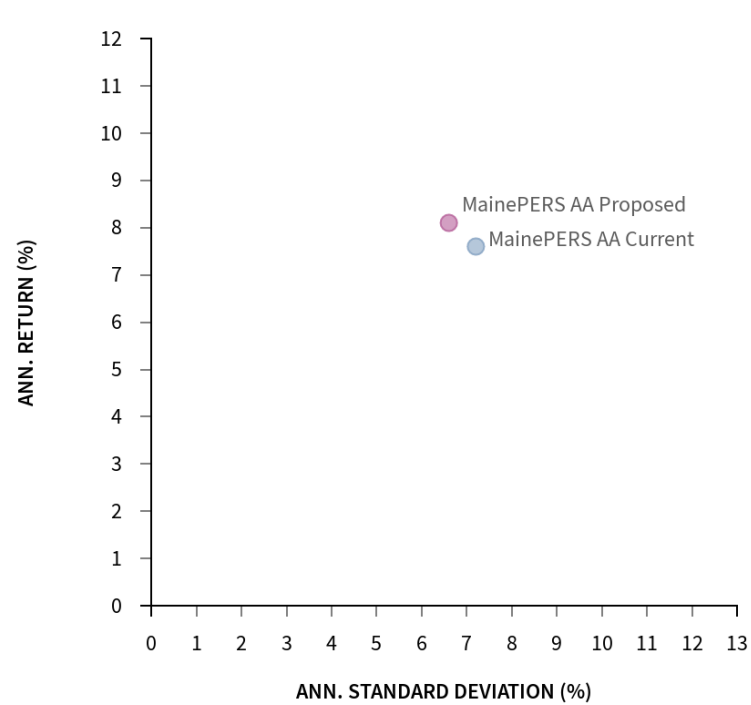
EVALUATION OF CURRENT VS. PROPOSED BENCHMARKS



Risk vs. Return

'Current' reflects the **Proposed Allocation** with Current Policy benchmarks. 'Proposed' reflects the Proposed Allocation with Proposed Policy benchmarks.

■ Trailing 10 Years • Sep 1, 2015 - Aug 31, 2025 • USD



	ANN. RETURN (%)	ANN. STANDARD DEV (%)	SHARPE RATIO	MKT BETA TO MSCI ACWI INDEX (N)
Managers				
MainePERS AA Current	7.6	7.2	0.8	0.48
MainePERS AA Proposed	8.1	6.6	0.9	0.44

Delta (%): MainePERS AA Proposed vs. Current

Charts the performance of the Proposed Policy with Proposed Allocations minus that of the Current Policy with Proposed Allocations

■ Rolling 3 Years • Jan 1, 2008 - Aug 31, 2025 • USD





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Governance Manual

MainePERS Board of Trustees

Board Responsibilities – Investment Policy

Appendix 4: Policy Benchmarks

Date Adopted: June 9, 2016

Date Amended: June 8, 2017, January 14, 2021, May 12, 2022

CURRENT

Asset	Benchmark	Weight
Total Public Equity	Russell 3000 & MSCI ACWI ex-USA, based on ACWI weights	30%
Private Equity	Russell 3000 + 3%	12.5%
Diversifiers	0.3 Beta MSCI ACWI	7.5%
Real Estate	NCREIF Property (lagged one quarter)	10%
Infrastructure	CA Infrastructure Median	10%
Natural Resources	CA Natural Resources Median	5%
Traditional Credit	Barclays US Aggregate, ex Treasury	5%
Alternative Credit	50% BAML US HY II + 50% S&P/LSTA US Leveraged Loan Index	10%
U.S. Government Securities	50% Bloomberg Barclays U.S. Government Bond Market Index + 50% Bloomberg U.S. TIPS Index	10%

PROPOSED

Asset	Benchmark	Weight
Total Public Equity	Russell 3000 & MSCI ACWI ex-USA IMI, based on ACWI IMI weights	27.5%
Private Equity	Russell 3000 + 3%	10.0%
Risk Diversifiers	90-day T-Bills + 3%	7.5%
Real Assets	CPI-U + 3%	22.5%
Alternative Credit	Morningstar LSTA US Leveraged Loan Index	15.0%
Public Fixed Income	40% Bloomberg Barclays US Aggregate ex-Government + 30% Bloomberg Barclays U.S. Government Bond Index + 30% Bloomberg U.S. TIPS Index	17.5%

REDLINE VERSION OF PROPOSED CHANGES

Asset	Benchmark	Weight
Total Public Equity	Russell 3000 & MSCI ACWI ex-USA <u>IMI</u> , based on ACWI <u>IMI</u> weights	30% <u>27.5%</u>
Private Equity	Russell 3000 + 3%	12.5% <u>10.0%</u>
Risk Diversifiers	0.3 Beta MSCI ACWI <u>90-day T-Bills + 3%</u>	7.5%
Real Estate	NGREIF Property (lagged one quarter)	10%
Infrastructure	CA Infrastructure Median	10%
Natural Resources	CA Natural Resources Median	5%
<u>Real Assets</u>	<u>CPI-U + 3%</u>	<u>22.5%</u>
Alternative Credit	50% BAML US HY II + 50% S&P/ <u>Morningstar</u> LSTA US Leveraged Loan Index	10% <u>15.0%</u>
Traditional Credit	Barclays US Aggregate, ex Treasury	5%
U.S. Government Securities	50% Bloomberg Barclays U.S. Government Bond Market Index + 50% Bloomberg U.S. TIPS Index	10%
<u>Public Fixed Income</u>	<u>40% Bloomberg Barclays US Aggregate ex-Government + 30% Bloomberg Barclays U.S. Government Bond Index + 30% Bloomberg U.S. TIPS Index*</u>	10% <u>17.5%</u>

MAINEPERS

BOARD OF TRUSTEES INVESTMENTS MEMORANDUM

TO: BOARD MEMBERS
FROM: JAMES BENNETT, CHIEF INVESTMENT OFFICER
SUBJECT: MONTHLY INVESTMENT REVIEW
DATE: OCTOBER 1, 2025

Following this memo is the Monthly Investment Review for September.

POLICY REFERENCE

[Board Policy 2.1 – Investment Policy Statement](#)

[Board Policy 4.5 – Board/Staff Relations](#)

[Board Policy 4.6 – Communication and Support to the Board](#)

MONTHLY INVESTMENT REVIEW: HIGHLIGHTS AND OBSERVATIONS

Preliminary Fund results for the month include:

- Month-end fund value of \$21.5 billion.
- Monthly return of 1.1%.
- Calendar year-to-date return of 8.2%.
- Fiscal year-to-date return of 2.6%.



MainePERS
PUBLIC EMPLOYEES RETIREMENT SYSTEM

Investment Review

October 9, 2025

Investment Policy Objective

Investment Objective

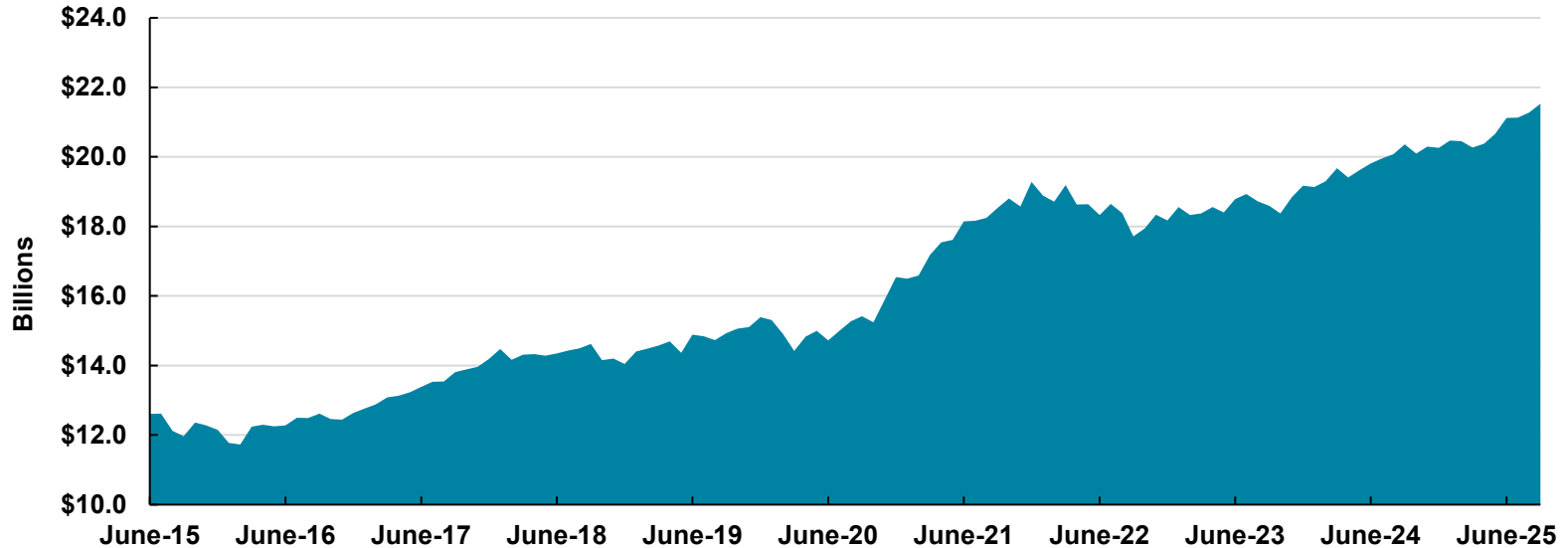
MainePERS' investment objectives balance the System's twin goals of generating investment returns (to ensure growth of the trust funds) and minimizing investment risks (loss of capital and cash flow shortfalls).

The Board recognizes and accepts that these goals are in opposition, and that a trade-off exists between expected risk and return. The Board balances these goals by seeking to optimize portfolio returns consistent with an established targeted portfolio risk level.

Additionally, by optimizing investment returns on trust assets, rather than attempting to maximize them, the Board seeks to maintain contribution rate and funding level volatility at acceptable levels that have been determined from time to time during strategic asset allocation planning and asset/liability reviews.

September 2025 Performance (Preliminary)

The **preliminary** fund value at the end of September is \$21.5 billion.

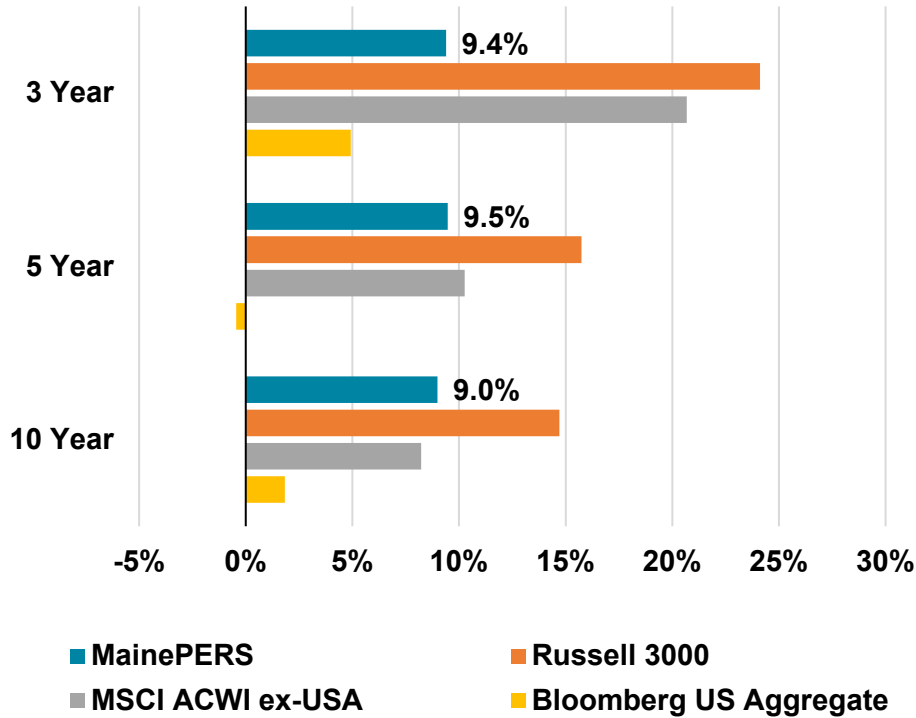


Fund and Benchmark Returns

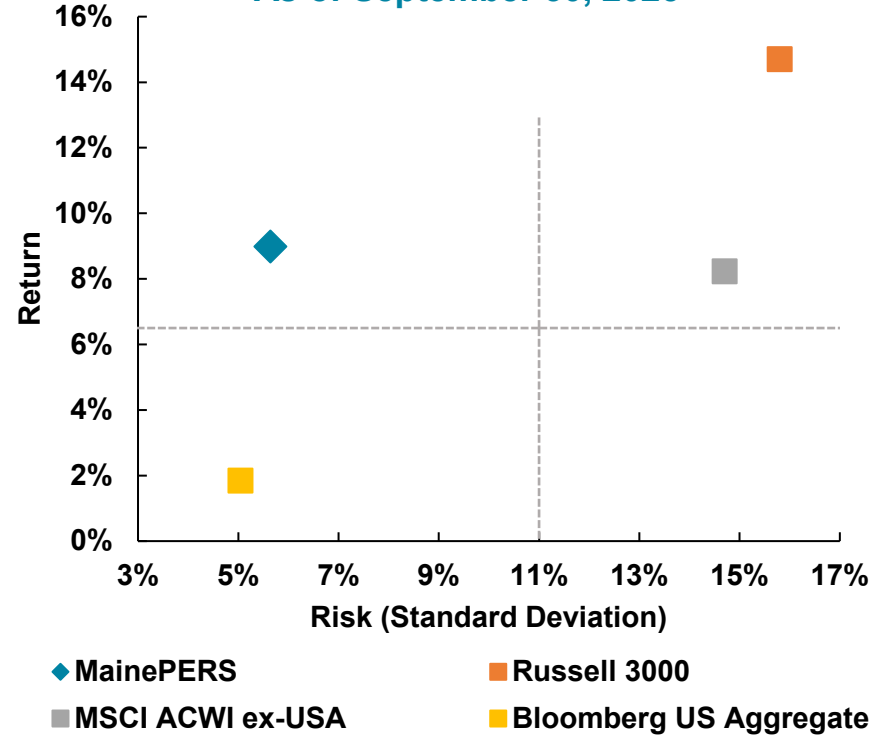
	September 2025	CYTD 2025	FYTD 2025	1 Year
MainePERS	1.1%	8.2%	2.6%	8.7%
Russell 3000	3.5%	14.4%	8.2%	17.4%
MSCI ACWI ex-USA	3.6%	26.0%	6.9%	16.4%
Bloomberg US Aggregate	1.1%	6.1%	2.0%	2.9%

Long-Term Performance & Risk

Annualized Performance
as of September 30, 2025



Ten-Year Annualized Risk & Return
As of September 30, 2025



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

September 2025 Asset Allocation (Preliminary)

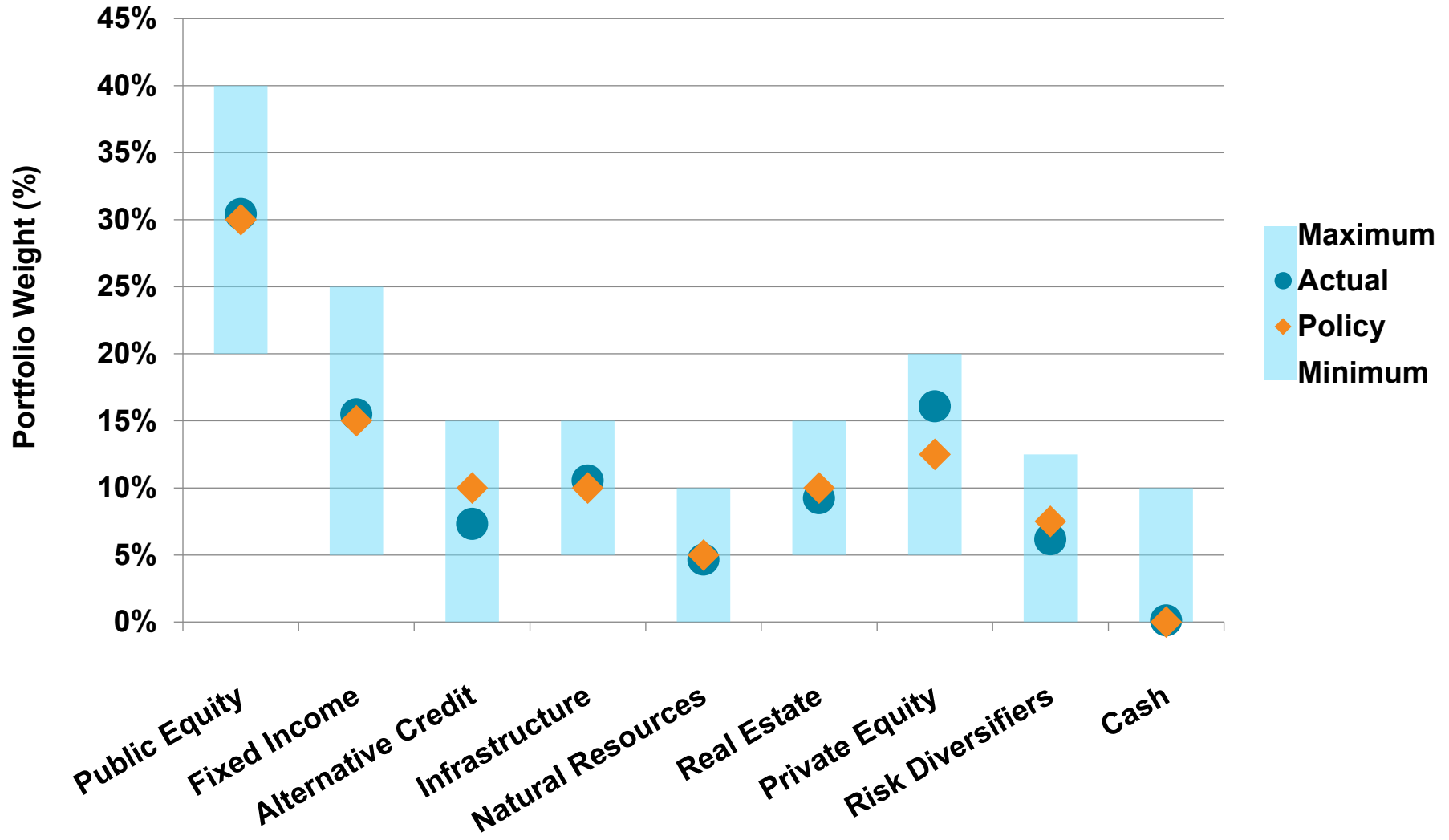
Assets (Millions)	Value	% of Fund	Policy %
MainePERS Portfolio	\$21,530	100.0%	100.0%
Domestic Equity	\$ 4,255	19.8%	19.4%
International Equity	\$ 2,296	10.7%	10.6%
Fixed Income	\$ 3,335	15.5%	15.0%
Alternative Credit	\$ 1,574	7.3%	10.0%
Infrastructure	\$ 2,269	10.5%	10.0%
Natural Resources	\$ 1,002	4.7%	5.0%
Private Equity	\$ 3,464	16.1%	12.5%
Real Estate	\$ 1,988	9.2%	10.0%
Risk Diversifiers	\$ 1,325	6.2%	7.5%
Cash	\$ 23	0.1%	0.0%

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

Portfolio weights for most asset classes remain near MainePERS Investment Policy asset allocation weights.

Private equity remains overweight at ~16.1% of Fund value, and private markets assets in aggregate comprise 47.8% of the overall portfolio, above the 47.5% policy weight.

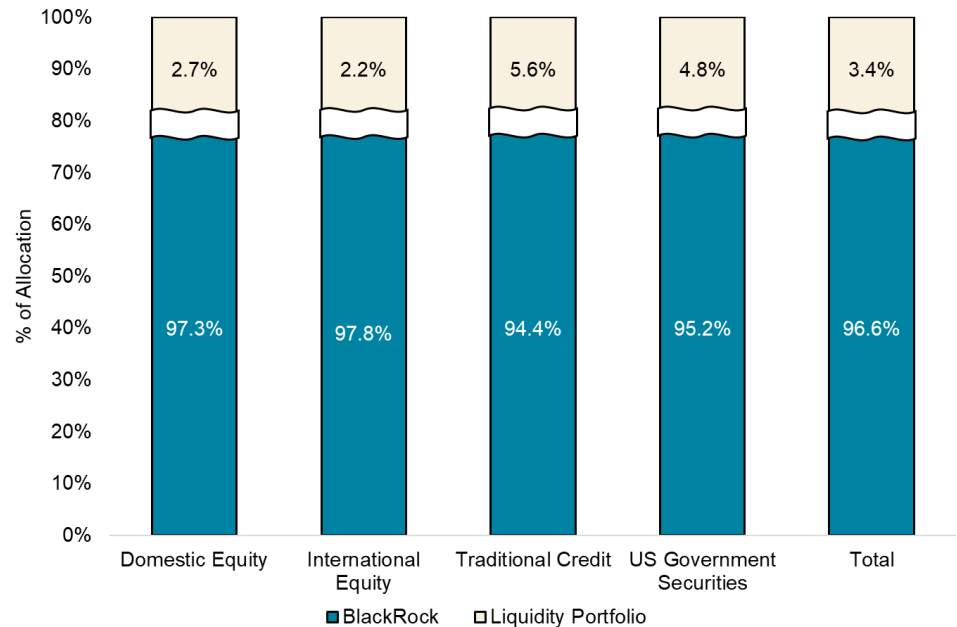
September 2025 Asset Allocation (Preliminary)



Public Securities: Liquidity Portfolio

At the end of September, 1.6% of Fund assets were invested via ETFs and futures contracts in accounts managed by Parametric Associates.

The Liquidity Portfolio accounts for 3.4% of MainePERS' total exposure to public securities.



MainePERS Liquidity Portfolio	Market Value (Millions)	Exposure Type
Parametric Domestic Equity	\$115.5	Futures
Parametric International Equity	\$50.7	Futures
Parametric Traditional Credit	\$62.0	ETFs
Parametric US Government Securities	\$107.4	Futures
Total Liquidity Portfolio	\$335.6	

Derivatives and Leverage

MainePERS has **exposure to derivatives** in the following areas:

- Public Equities, Public Fixed Income, and Risk Diversifiers

MainePERS has **financial leverage** (borrowing and investing) in the following areas:

- BlackRock – Financial leverage in securities lending
- JP Morgan – Financial leverage in securities lending
- Alternative Credit
- Infrastructure
- Natural Resources
- Private Equity
- Real Estate

Investment Related Fees: September 2025

Description	FY 26	FY 25	FY 24	FY 23	FY 22
Investment Mgmt. Fees	\$31,923,833	\$129,093,633	\$131,940,081	\$135,770,817	\$130,884,088
Securities Lending Fees ¹	175,633	1,100,903	1,356,735	1,303,543	1,744,317
Consulting Fees	303,750	1,215,000	1,215,000	1,193,543	1,120,000
Broker Commissions ²	29,313	120,217	77,495	136,039	77,558
Placement Agent Fees	0	0	0	0	0
Total	\$32,432,529	\$131,529,753	\$134,589,311	\$138,403,942	\$133,825,963
Percentage of Fund ³	0.60%	0.62%	0.68%	0.74%	0.73%

1. Securities Lending Fees are through 8/31/2025
2. Actual paid commissions reported by JP Morgan
3. For FY26: Total fees projected for the full fiscal year (\$129,730,115) divided by current Fund value.
For prior FY: Total fees divided by FYE Fund value.

Securities Lending: August 2025

	Average Lendable Assets	Average Assets On Loan	Total Sec Lending Revenue	Revenue Split	MainePERS Net Income	MainePERS Net Income, FYTD
BlackRock						
Fixed Income	\$2,489,706,428	\$1,427,920,779	\$102,751	60%/40%	\$61,651	\$134,963
Total Equity	\$2,062,103,848	\$204,802,611	\$98,281	60%/40%	\$64,845	\$122,159
Total Blackrock	\$4,551,810,276	\$1,632,723,390	\$201,032		\$126,496	\$257,122
JP Morgan						
Domestic Equities	\$3,950,603,784	\$81,351,327	\$117,822	85%/15%	\$100,151	\$120,295
Total JP Morgan	\$3,950,603,784	\$81,351,327	\$117,822		\$100,151	\$120,295
Total	\$8,502,414,060	\$1,714,074,717	\$318,854		\$226,647	\$377,417
Total Annualized Securities Lending Income, FY 2026: \$2,264,506 (0.01%, or 1.0 bps)						
Total Actual Securities Lending Income, FY 2025: \$1,945,362 (0.01%, or 0.9 bps)						

Liquidity Schedule: September 2025

Term	Market Value	Percent of Portfolio
Liquid ¹	\$9,909m	46.0%
Semi-Liquid ²	\$2,319m	10.8%
Illiquid ³	\$9,303m	43.2%
Total	\$21,530m	100.0%

<u>Sources and Uses of Liquidity</u>		
	Last 12 Months Actual	Next 12 Months Projection
Private Markets Activity		
Capital Contributions	-\$1,022m	-\$790m
Distributions	\$1,708m	\$1,510m
Net Private Markets Activity	\$686m	\$720m
Benefit Payments	-\$480m	-\$480m
Net Cash Flows	\$206m	\$240m

¹Liquid assets includes public equities and public fixed income

²Semi-liquid assets includes risk diversifiers, open-end real estate investments, and listed alternative credit funds

³Illiquid assets includes closed-end alternative credit, infrastructure, natural resources, private equity, real estate funds and risk diversifiers

MainePERS Alternative Investments Summary

<i>as of 09/30/2025</i>	# of Funds	# of GP Relationships
Alternative Credit	28	13
Infrastructure	37	11
Natural Resources	16	10
Private Equity	136	36
Real Estate	36	18
Risk Diversifiers	14	13
Total*	267	92

*GP Total may not add due to overlapping relationships

Currently, MainePERS is invested in 267 funds, and has 92 distinct manager relationships.

MainePERS Alternative Investments Summary

(in \$millions) as of 09/30/2025	Current Market Value			Unfunded Commitment	
	Dollars	% of Fund	Policy %*	Dollars	% of Fund
Alternative Credit	\$ 1,574	7.3%	10.0%	\$ 1,021	4.7%
Infrastructure	\$ 2,269	10.5%	10.0%	\$ 402	1.9%
Natural Resources	\$ 1,002	4.7%	5.0%	\$ 217	1.0%
Private Equity	\$ 3,464	16.1%	12.5%	\$ 1,026	4.8%
Real Estate	\$ 1,988	9.2%	10.0%	\$ 249	1.2%
Risk Diversifiers	\$ 1,325	6.2%	7.5%	\$ 65	0.3%
Total Alternatives	\$ 11,622	54.0%	55.0%	\$ 2,979	13.8%

For more details please see Private Markets Investment Summary at <http://www.maineper.org/Investments/>

*Investment Policy weights approved by the Board of Trustees effective May 2022

Note: Market values shown above are preliminary estimates. Private market asset values are based on 03/31/2025 values, adjusted for subsequent cash flows.

(in \$millions) as of 09/30/2025	Private Market Commitments by Vintage Year				3-Year Average ¹
	2022	2023	2024	2025	
Alternative Credit	\$ 550	\$ 80	\$ 175	\$ 518	\$ 268
Infrastructure	\$ 200	\$ 50	\$ 25	\$ 125	\$ 92
Natural Resources	\$ 30	\$ 40	\$ -	\$ -	\$ 23
Private Equity	\$ 218	\$ 71	\$ 274	\$ 123	\$ 188
Real Estate	\$ 180	\$ 50	\$ 35	\$ 35	\$ 88
Total Commitments	\$ 1,178	\$ 291	\$ 509	\$ 801	\$ 659

¹3-Year Average: 2022-2024

MainePERS Private Market Investments Summary: 03/31/2025

Asset Class Summary	Commitment (A)	Amount Contributed (B)	Total Distributions (C)	Current Market Value (D)	Total Value (C+D)	Interim Net IRR
Alternative Credit	\$ 2,961,090	\$ 2,415,840	\$ 1,561,691	\$ 1,411,584	\$ 2,973,275	7.9%
Infrastructure	\$ 3,462,815	\$ 3,788,140	\$ 3,350,505	\$ 2,314,939	\$ 5,665,444	10.9%
Natural Resources	\$ 1,060,500	\$ 1,146,603	\$ 497,689	\$ 1,015,469	\$ 1,513,158	5.5%
Private Equity	\$ 5,192,474	\$ 5,301,976	\$ 5,023,081	\$ 3,647,179	\$ 8,670,260	14.5%
Real Estate	\$ 2,812,389	\$ 3,077,851	\$ 2,088,036	\$ 2,017,705	\$ 4,105,741	5.7%
Total	\$ 15,489,267	\$ 15,730,410	\$ 12,521,002	\$ 10,406,875	\$ 22,927,877	9.7%

Note: This Asset Class Summary table includes all private market investments: both fund investments and co-investments.

Co-Investment Summary	Commitment (A)	# of Co- Investments	Amount Contributed (B)	Total Distributions (C)	Current Market Value (D)	Total Value (C+D)	Interim Net IRR
Alternative Credit Co-Investments	\$ 364,035	42	\$ 345,569	\$ 200,443	\$ 224,656	\$ 425,100	10.5%
Infrastructure Co-Investments	\$ 218,588	11	\$ 216,199	\$ 339,315	\$ 63,205	\$ 402,520	14.2%
Natural Resources Co-Investments	\$ 32,500	2	\$ 32,770	\$ 37	\$ 69,077	\$ 69,115	14.4%
Private Equity Co-Investments	\$ 392,965	36	\$ 389,497	\$ 318,610	\$ 281,079	\$ 599,689	11.6%
Real Estate Co-Investments	\$ 70,778	6	\$ 65,853	\$ 9,642	\$ 41,444	\$ 51,086	-6.6%
Total	\$ 1,078,866	97	\$ 1,049,888	\$ 868,048	\$ 679,462	\$ 1,547,509	11.6%

Note: This table contains values for the co-investment portion of the private market portfolio.

MainePERS Private Market Investments Summary: 03/31/2025

Alternative Credit

Fund Name	Commitment (A)	Date of Commitment	Amount Contributed (B)	Total Distributions (C)	Current Market Value (D)	Total Value (C+D)	Interim Net IRR
Angelo Gordon Direct Lending Fund II	\$ 25,000	3/31/2020	\$ 23,749	\$ 25,328	\$ 9,313	\$ 34,641	16.4%
Angelo Gordon Direct Lending Fund III	\$ 100,000	7/20/2018	\$ 103,520	\$ 99,055	\$ 46,776	\$ 145,830	9.7%
Participation Agreement #1	\$ 7,500	10/11/2019	\$ 7,479	\$ 3,684	\$ 7,184	\$ 10,868	9.8%
Participation Agreement #2	\$ 5,000	10/11/2019	\$ 4,994	\$ 5,422	\$ -	\$ 5,422	8.8%
Participation Agreement #3	\$ 5,000	10/11/2019	\$ 5,000	\$ 5,700	\$ -	\$ 5,700	7.3%
Participation Agreement #4	\$ 10,000	10/18/2019	\$ 9,889	\$ 13,886	\$ -	\$ 13,886	10.6%
Participation Agreement #5	\$ 5,000	12/6/2019	\$ 5,000	\$ 6,824	\$ -	\$ 6,824	9.9%
Participation Agreement #6	\$ 10,000	12/6/2019	\$ 9,991	\$ 4,394	\$ 9,614	\$ 14,008	10.4%
Participation Agreement #7	\$ 5,000	12/11/2019	\$ 5,000	\$ 7,263	\$ -	\$ 7,263	9.6%
Participation Agreement #8	\$ 5,000	8/13/2020	\$ 4,866	\$ 6,689	\$ -	\$ 6,689	10.0%
Participation Agreement #9	\$ 7,500	4/9/2021	\$ 7,407	\$ 3,447	\$ 6,862	\$ 10,309	11.2%
Participation Agreement #10	\$ 10,000	4/20/2021	\$ 9,955	\$ 2,851	\$ 9,341	\$ 12,192	10.2%
Participation Agreement #11	\$ 5,000	5/5/2021	\$ 5,156	\$ 1,723	\$ 3,953	\$ 5,676	3.1%
Angelo Gordon Direct Lending Fund IV	\$ 100,000	1/24/2020	\$ 98,709	\$ 55,677	\$ 80,098	\$ 135,774	10.8%
Participation Agreement #1	\$ 5,000	10/23/2020	\$ 4,913	\$ 6,266	\$ -	\$ 6,266	9.2%
Participation Agreement #2	\$ 12,500	8/17/2021	\$ 12,264	\$ 4,492	\$ 11,951	\$ 16,443	10.8%
Participation Agreement #3	\$ 7,500	10/5/2021	\$ 7,500	\$ 7,913	\$ -	\$ 7,913	7.9%
Participation Agreement #4	\$ 5,000	12/21/2021	\$ 4,919	\$ 1,806	\$ 4,803	\$ 6,609	11.0%
Participation Agreement #5	\$ 10,000	12/21/2021	\$ 9,975	\$ 3,291	\$ 8,421	\$ 11,711	10.7%
Participation Agreement #6	\$ 5,000	1/12/2022	\$ 4,911	\$ 1,833	\$ 4,802	\$ 6,634	11.3%
Participation Agreement #7	\$ 7,500	1/12/2022	\$ 7,378	\$ 2,686	\$ 7,197	\$ 9,883	11.0%
Participation Agreement #8	\$ 12,500	6/16/2022	\$ 12,391	\$ 15,895	\$ -	\$ 15,895	11.9%
Angelo Gordon Direct Lending Fund IV Annex	\$ 50,000	11/18/2021	\$ 49,102	\$ 25,421	\$ 38,153	\$ 63,574	11.2%
Angelo Gordon Direct Lending Fund V	\$ 125,000	8/3/2022	\$ 79,802	\$ 18,157	\$ 76,180	\$ 94,337	10.6%
Participation Agreement #1	\$ 7,500	9/1/2022	\$ 7,388	\$ 2,227	\$ 7,239	\$ 9,466	11.4%
Participation Agreement #2	\$ 12,500	10/7/2022	\$ 12,216	\$ 3,601	\$ 12,078	\$ 15,679	12.8%
Participation Agreement #3	\$ 10,000	10/19/2022	\$ 9,840	\$ 2,917	\$ 9,477	\$ 12,394	11.3%
Participation Agreement #4	\$ 10,000	10/27/2022	\$ 9,800	\$ 3,324	\$ 9,220	\$ 12,544	12.5%
Participation Agreement #5	\$ 10,000	2/27/2023	\$ 9,811	\$ 2,454	\$ 9,667	\$ 12,121	12.1%
Participation Agreement #6	\$ 5,000	10/20/2023	\$ 4,868	\$ 753	\$ 4,843	\$ 5,596	NM
Participation Agreement #7	\$ 10,000	5/22/2024	\$ 9,850	\$ 915	\$ 9,814	\$ 10,729	NM
Participation Agreement #8	\$ 10,000	6/21/2024	\$ 9,800	\$ 870	\$ 9,813	\$ 10,683	NM
Participation Agreement #9	\$ 10,000	8/6/2024	\$ 9,850	\$ 704	\$ 9,791	\$ 10,495	NM
Participation Agreement #10	\$ 10,000	12/11/2024	\$ 9,875	\$ 249	\$ 9,851	\$ 10,100	NM

MainePERS Private Market Investments Summary: 03/31/2025

Alternative Credit

Fund Name	Commitment (A)	Date of Commitment	Amount Contributed (B)	Total Distributions (C)	Current Market Value (D)	Total Value (C+D)	Interim Net IRR
Participation Agreement #11	\$ 10,000	12/27/2024	\$ 9,900	\$ 313	\$ 9,860	\$ 10,173	NM
Ares Capital Europe IV	\$ 122,000	4/30/2018	\$ 96,890	\$ 64,604	\$ 54,771	\$ 119,375	4.8%
Ares Capital Europe V	\$ 122,000	9/4/2020	\$ 93,547	\$ 22,229	\$ 91,270	\$ 113,499	7.5%
Ares Capital Europe VI	\$ 82,500	3/17/2023	\$ 31,691	\$ 9,153	\$ 25,599	\$ 34,752	NM
Ares Senior Direct Lending Fund II	\$ 100,000	12/10/2021	\$ 75,008	\$ 22,517	\$ 74,464	\$ 96,981	14.2%
Ares Senior Direct Lending Fund III	\$ 100,000	7/28/2023	\$ 21,074	\$ 906	\$ 22,502	\$ 23,408	NM
Audax Senior Debt (MP), LLC	\$ 100,000	6/30/2017	\$ 100,000	\$ 134,916	\$ -	\$ 134,916	5.2%
Brookfield Infrastructure Debt Fund III	\$ 100,000	7/15/2022	\$ 91,041	\$ 29,830	\$ 69,144	\$ 98,974	8.2%
BID III DESRI Co-Invest	\$ 8,571	4/30/2024	\$ 3,923	\$ 199	\$ 3,814	\$ 4,013	NM
Brookfield Infrastructure Debt Fund IV	\$ 100,000	12/31/2024	\$ 0	\$ -	\$ (7)	\$ (7)	NM
Comvest Credit Partners VI	\$ 125,000	5/20/2022	\$ 132,331	\$ 63,232	\$ 87,140	\$ 150,372	11.9%
Comvest Credit Partners VII	\$ 75,000	5/1/2024	\$ 33,264	\$ 391	\$ 33,599	\$ 33,991	NM
Deerpath Capital VI	\$ 75,000	9/30/2021	\$ 67,500	\$ 15,266	\$ 67,926	\$ 83,192	8.6%
Global Infrastructure Partners Spectrum	\$ 100,000	2/20/2019	\$ 122,850	\$ 67,507	\$ 70,466	\$ 137,973	7.3%
Mesa West Core Lending Fund	\$ 100,000	6/18/2013	\$ 127,612	\$ 71,229	\$ 100,017	\$ 171,247	4.2%
Blue Owl Capital Corporation	\$ 100,000	3/10/2017	\$ 116,571	\$ 177,029	\$ -	\$ 177,029	9.8%
Participation Agreement #1	\$ 5,000	5/7/2018	\$ 4,851	\$ 5,499	\$ -	\$ 5,499	12.7%
Participation Agreement #2	\$ 6,185	7/31/2018	\$ 6,196	\$ 7,745	\$ -	\$ 7,745	9.9%
Participation Agreement #3	\$ 5,000	8/7/2018	\$ 4,938	\$ 5,634	\$ -	\$ 5,634	7.9%
Participation Agreement #4	\$ 5,000	8/20/2018	\$ 4,566	\$ 5,835	\$ -	\$ 5,835	8.1%
Participation Agreement #5	\$ 5,000	12/21/2018	\$ 4,987	\$ 6,733	\$ -	\$ 6,733	7.7%
Participation Agreement #6	\$ 11,653	8/7/2020	\$ 12,917	\$ 5,971	\$ 11,189	\$ 17,160	10.8%
Participation Agreement #7	\$ 7,500	7/26/2021	\$ 6,557	\$ 7,970	\$ -	\$ 7,970	9.8%
Participation Agreement #8	\$ 12,500	6/17/2022	\$ 12,778	\$ 15,206	\$ -	\$ 15,206	12.4%
Participation Agreement #9	\$ 7,500	9/26/2022	\$ 7,388	\$ 2,171	\$ 7,129	\$ 9,300	11.0%
Blue Owl Capital Corporation III	\$ 100,000	6/19/2020	\$ 118,400	\$ 52,108	\$ 108,967	\$ 161,075	10.4%
Pathlight Capital Fund II	\$ 75,000	4/22/2021	\$ 137,875	\$ 111,478	\$ 49,314	\$ 160,793	11.2%
Participation Agreement #1	\$ 7,500	4/1/2022	\$ 7,082	\$ 9,848	\$ -	\$ 9,848	15.3%
Participation Agreement #2	\$ 7,500	4/1/2022	\$ 7,375	\$ 2,805	\$ 7,052	\$ 9,858	11.8%
Pathlight Capital Fund III	\$ 75,000	6/24/2022	\$ 105,678	\$ 75,713	\$ 46,193	\$ 121,906	15.8%
Pathlight Capital Evergreen Fund	\$ 200,000	3/31/2025	\$ -	\$ -	\$ -	\$ -	NM
Solar Capital Private Corporate Lending Fund	\$ 50,000	6/26/2019	\$ 40,188	\$ 23,601	\$ 32,124	\$ 55,724	11.0%
Solar Capital Debt Fund	\$ 50,000	6/26/2019	\$ 25,000	\$ 12,125	\$ 20,125	\$ 32,249	10.2%
SLR Private Corporate Lending Fund II	\$ 125,000	12/23/2022	\$ 31,784	\$ 1,171	\$ 35,497	\$ 36,668	NM

MainePERS Private Market Investments Summary: 03/31/2025

Alternative Credit

Fund Name	Commitment (A)	Date of Commitment	Amount Contributed (B)	Total Distributions (C)	Current Market Value (D)	Total Value (C+D)	Interim Net IRR
Silver Point Specialty Credit II	\$ 50,000	1/31/2020	\$ 62,775	\$ 37,613	\$ 41,405	\$ 79,019	10.8%
Tennenbaum Direct Lending VIII	\$ 100,000	11/30/2017	\$ 100,883	\$ 111,576	\$ 14,858	\$ 126,435	6.3%

MainePERS Private Market Investments Summary: 03/31/2025

Infrastructure

Fund Name	Commitment (A)	Date of Commitment	Amount Contributed (B)	Total Distributions (C)	Current Market Value (D)	Total Value (C+D)	Interim Net IRR
Alinda Infrastructure Fund II	\$ 50,000	9/17/2009	\$ 68,244	\$ 74,329	\$ 32	\$ 74,361	1.9%
ArcLight Energy V	\$ 75,000	10/28/2011	\$ 76,031	\$ 103,624	\$ -	\$ 103,624	8.0%
Shore Co-Investment Holdings II	\$ 20,000	1/30/2014	\$ 17,709	\$ 19,737	\$ -	\$ 19,737	8.4%
ArcLight Energy VI	\$ 150,000	11/25/2014	\$ 159,687	\$ 137,590	\$ 50,444	\$ 188,034	3.6%
Great River Hydro Partners	\$ 12,000	6/17/2017	\$ 10,718	\$ 45,187	\$ -	\$ 45,187	39.5%
Brookfield Infrastructure Fund II	\$ 100,000	6/28/2013	\$ 118,965	\$ 137,494	\$ 81,547	\$ 219,041	10.2%
Brookfield Infrastructure Fund III	\$ 100,000	4/15/2016	\$ 114,470	\$ 77,892	\$ 110,203	\$ 188,095	11.9%
Co-Investment #1	\$ 20,000	3/31/2017	\$ 15,954	\$ 29,538	\$ 7,461	\$ 36,999	24.7%
Carlyle Global Infrastructure Opportunity Fund	\$ 100,000	5/1/2019	\$ 101,220	\$ 24,979	\$ 113,493	\$ 138,472	11.5%
Carlyle Infrastructure Partners	\$ 50,000	11/2/2007	\$ 57,366	\$ 64,289	\$ 364	\$ 64,653	2.5%
Carlyle Power Partners II	\$ 50,000	11/19/2015	\$ 74,271	\$ 100,100	\$ 1,250	\$ 101,349	8.7%
Cube Infrastructure	\$ 45,000	4/16/2010	\$ 60,063	\$ 96,665	\$ 422	\$ 97,087	8.0%
Cube Infrastructure II	\$ 90,000	9/11/2018	\$ 80,860	\$ 11,944	\$ 81,876	\$ 93,821	3.2%
Cube Infrastructure III	\$ 90,000	8/16/2021	\$ 60,222	\$ 6,201	\$ 63,413	\$ 69,614	6.6%
EQT Infrastructure III	\$ 68,000	12/3/2016	\$ 107,997	\$ 162,757	\$ 25,036	\$ 187,793	20.2%
EQT Infrastructure IV	\$ 100,000	12/17/2018	\$ 103,785	\$ 23,187	\$ 124,533	\$ 147,721	9.7%
EQT Infrastructure V	\$ 75,000	12/8/2020	\$ 74,305	\$ 16,134	\$ 73,794	\$ 89,928	8.7%
Global Energy & Power Infrastructure Fund	\$ 50,000	6/30/2010	\$ 59,778	\$ 53,224	\$ 480	\$ 53,704	-3.1%
Global Energy & Power Infrastructure Fund II	\$ 100,000	10/21/2013	\$ 129,029	\$ 129,452	\$ 28,034	\$ 157,486	10.9%
Global Infrastructure Partners Sonic	\$ 35,000	7/31/2020	\$ 34,626	\$ -	\$ 12,938	\$ 12,938	-21.0%
Global Infrastructure Partners	\$ 75,000	3/31/2008	\$ 101,173	\$ 205,062	\$ 216	\$ 205,277	17.2%
Global Infrastructure Partners II	\$ 75,000	12/3/2011	\$ 110,807	\$ 179,843	\$ 13,264	\$ 193,106	15.5%
Global Infrastructure Partners III	\$ 150,000	4/15/2016	\$ 192,538	\$ 175,995	\$ 110,399	\$ 286,393	9.7%
Co-Investment #1	\$ 29,000	2/28/2017	\$ 28,218	\$ 19,345	\$ 33,470	\$ 52,815	11.7%
Co-Investment #2	\$ 25,000	8/16/2018	\$ 27,519	\$ 35,570	\$ (1)	\$ 35,569	4.7%
Global Infrastructure Partners IV	\$ 150,000	12/21/2018	\$ 149,762	\$ 24,633	\$ 158,321	\$ 182,954	7.9%
IFM Global Infrastructure (US), L.P.	\$ 100,000	12/20/2012	\$ 144,550	\$ 208,040	\$ -	\$ 208,040	9.8%
KKR Diversified Core Infrastructure Fund	\$ 100,000	4/29/2022	\$ 109,976	\$ 9,976	\$ 115,380	\$ 125,355	7.2%
KKR Global Infrastructure Investors	\$ 75,000	9/29/2010	\$ 87,917	\$ 154,328	\$ 97	\$ 154,425	13.1%
KKR Global Infrastructure Investors II	\$ 150,000	10/24/2014	\$ 187,997	\$ 285,472	\$ 50,050	\$ 335,522	16.7%

(all dollar amounts in thousands)

MainePERS Private Market Investments Summary: 03/31/2025

Infrastructure

Fund Name	Commitment		Amount	Total	Current	Total Value	Interim Net
	(A)	Date of Commitment	Contributed	Distributions	Market Value		
			(B)	(C)	(D)	(C+D)	IRR
KKR Atlanta Co-Invest	\$ 24,000	9/26/2014	\$ 21,428	\$ 28,551	\$ -	\$ 28,551	5.7%
KKR Taurus Co-Invest II	\$ 25,000	8/15/2017	\$ 25,000	\$ 56,779	\$ 828	\$ 57,607	21.3%
KKR Byzantium Infrastructure Aggregator	\$ 15,000	10/17/2017	\$ 15,005	\$ 13,431	\$ 9,566	\$ 22,996	8.3%
KKR Global Infrastructure Investors III	\$ 100,000	3/29/2018	\$ 99,638	\$ 56,041	\$ 87,366	\$ 143,407	11.5%
Meridiam Infrastructure (SCA)	\$ 11,000	9/23/2015	\$ 21,938	\$ 16,711	\$ 27,955	\$ 44,665	9.6%
Meridiam Infrastructure (SCA) B Shares	\$ 305	9/23/2015	\$ 305	\$ 55	\$ 25,649	\$ 25,703	60.6%
Meridiam Infrastructure Europe II (SCA)	\$ 22,500	9/23/2015	\$ 36,936	\$ 20,303	\$ 38,430	\$ 58,734	8.3%
Meridiam Infrastructure Europe II B Shares	\$ 178	9/23/2015	\$ 178	\$ 9,354	\$ -	\$ 9,354	92.5%
Meridiam Infrastructure Europe III SLP	\$ 95,000	4/27/2016	\$ 79,390	\$ 23,856	\$ 81,954	\$ 105,810	7.4%
Meridiam Sustainable Infrastructure Europe IV	\$ 90,000	4/16/2021	\$ 35,550	\$ 4,143	\$ 34,054	\$ 38,197	NM
Meridiam Infrastructure N.A. II	\$ 75,000	9/28/2012	\$ 88,232	\$ 46,209	\$ 195,361	\$ 241,570	15.8%
MINA II CIP	\$ 175	6/30/2015	\$ 169	\$ 1,870	\$ 21,760	\$ 23,630	89.9%
Meridiam Infrastructure N.A. II	\$ 20,000	6/30/2015	\$ 18,870	\$ 8,218	\$ 50,046	\$ 58,264	20.2%
Meridiam Infrastructure N.A. III	\$ 50,000	7/12/2017	\$ 40,764	\$ 1,241	\$ 57,317	\$ 58,559	14.1%
Stonepeak Infrastructure Partners II	\$ 140,000	11/12/2015	\$ 192,641	\$ 266,803	\$ 10,916	\$ 277,719	12.9%
Stonepeak Claremont Co-Invest	\$ 25,000	5/30/2017	\$ 25,000	\$ 51,959	\$ -	\$ 51,959	17.8%
Stonepeak Spear (Co-Invest) Holdings	\$ 25,000	1/8/2018	\$ 19,648	\$ 38,449	\$ -	\$ 38,449	11.2%
Stonepeak Infrastructure Partners III	\$ 150,000	10/13/2017	\$ 172,027	\$ 61,231	\$ 176,623	\$ 237,854	9.0%
Stonepeak Guardian (Co-Invest) Holdings	\$ 10,000	4/27/2023	\$ 10,000	\$ 769	\$ 11,975	\$ 12,744	NM
Stonepeak Infrastructure Partners IV	\$ 125,000	5/8/2020	\$ 90,632	\$ 20,835	\$ 88,099	\$ 108,934	9.0%
Stonepeak Infrastructure Partners V	\$ 25,000	6/28/2024	\$ -	\$ -	\$ -	\$ -	NM
Stonepeak Core Infrastructure Fund	\$ 100,000	8/5/2022	\$ 107,157	\$ 7,157	\$ 121,514	\$ 128,671	10.4%
Stonepeak Opportunities Fund	\$ 50,000	6/12/2023	\$ 21,873	\$ 3,954	\$ 19,099	\$ 23,053	NM

MainePERS Private Market Investments Summary: 03/31/2025

Natural Resources

Fund Name	Commitment (A)	Date of Commitment	Amount Contributed (B)	Total Distributions (C)	Current Market Value (D)	Total Value (C+D)	Interim Net IRR
ACM Permanent Crops	\$ 35,000	10/24/2014	\$ 39,821	\$ 12,107	\$ 60,384	\$ 72,491	7.9%
ACM Permanent Crops II	\$ 35,000	5/12/2016	\$ 43,088	\$ 8,885	\$ 13,871	\$ 22,756	-14.1%
AMERRA Agri Fund III	\$ 50,000	2/11/2016	\$ 102,428	\$ 97,709	\$ 9,977	\$ 107,686	1.9%
Denham Mining Fund	\$ 35,000	6/29/2018	\$ 34,774	\$ 659	\$ 27,944	\$ 28,602	-4.7%
Homestead Capital Farmland II	\$ 50,000	8/8/2016	\$ 57,106	\$ 12,535	\$ 54,413	\$ 66,947	3.1%
Homestead Capital Farmland III	\$ 30,000	10/26/2018	\$ 33,353	\$ 4,882	\$ 30,714	\$ 35,596	2.4%
Orion Mine Finance Fund II	\$ 50,000	5/25/2016	\$ 102,219	\$ 90,648	\$ 40,087	\$ 130,735	8.6%
Orion Mine Finance Co-Fund II	\$ 20,000	8/13/2018	\$ 20,233	\$ -	\$ 46,784	\$ 46,784	14.0%
Silver Creek Aggregate Reserves Fund	\$ 100,000	11/6/2018	\$ 21,168	\$ 4,348	\$ 26,757	\$ 31,105	NM
Sprott Private Resource Lending Fund III	\$ 30,000	8/31/2022	\$ 12,638	\$ 1,491	\$ 11,959	\$ 13,450	NM
Sprott Private Resource Streaming and Royalty Annex	\$ 40,000	5/17/2023	\$ 27,555	\$ 545	\$ 26,733	\$ 27,278	NM
Taurus Mining Fund	\$ 50,000	3/27/2015	\$ 41,459	\$ 47,156	\$ 3,232	\$ 50,387	7.4%
Taurus Mining Fund Annex	\$ 23,000	12/1/2016	\$ 18,402	\$ 23,585	\$ 701	\$ 24,287	17.3%
Taurus Mining Fund No. 2	\$ 75,000	4/18/2019	\$ 69,832	\$ 53,214	\$ 34,756	\$ 87,970	15.3%
Teays River Integrated Agriculture	\$ 200,000	7/1/2015	\$ 195,698	\$ 28,770	\$ 311,962	\$ 340,732	6.3%
Twin Creeks Timber	\$ 200,000	1/7/2016	\$ 204,277	\$ 99,556	\$ 147,430	\$ 246,986	4.0%
U.S. Farming Realty Trust III	\$ 100,000	7/7/2015	\$ 110,017	\$ 11,565	\$ 145,471	\$ 157,036	5.4%
Canally Coinvest Holdings	\$ 12,500	12/9/2019	\$ 12,537	\$ 37	\$ 22,294	\$ 22,331	16.0%

MainePERS Private Market Investments Summary: 03/31/2025

Private Equity

Fund Name	Commitment		Date of Commitment	Amount		Total Distributions	Current Market		Interim Net IRR
	(A)			(B)			Value (D)	Total Value (C+D)	
ABRY Advanced Securities Fund II	\$	20,000	5/4/2011	\$	20,547	\$	29,749	\$	13.0%
ABRY Advanced Securities Fund III	\$	30,000	4/30/2014	\$	45,332	\$	44,697	\$	-0.3%
ABRY Heritage Partners	\$	10,000	5/31/2016	\$	11,205	\$	16,604	\$	26.0%
ABRY Partners VII	\$	10,000	4/29/2011	\$	12,988	\$	1,084	\$	12.0%
ABRY Partners VIII	\$	20,000	8/8/2014	\$	24,213	\$	3,870	\$	9.6%
ABRY Senior Equity IV	\$	10,000	12/7/2012	\$	10,853	\$	899	\$	14.4%
ABRY Senior Equity V	\$	12,050	1/19/2017	\$	13,209	\$	11,840	\$	11.7%
Advent International GPE VII	\$	30,000	6/29/2012	\$	34,811	\$	3,121	\$	13.1%
Advent International GPE VIII	\$	50,000	2/5/2016	\$	58,274	\$	38,398	\$	15.5%
CF24XB SCSP	\$	3,100	3/28/2025	\$	-	\$	-	\$	NM
Advent International GPE IX	\$	50,000	5/9/2019	\$	48,355	\$	61,082	\$	13.9%
GPE IX TKE Co-Investment	\$	24,000	3/30/2020	\$	21,243	\$	38,083	\$	13.3%
Advent International GPE X	\$	45,000	4/28/2022	\$	23,292	\$	27,960	\$	13.2%
AI Co-Investment I-A	\$	7,500	3/2/2023	\$	7,443	\$	10,186	\$	17.4%
Advent Latin America PE Fund VI	\$	20,000	10/17/2014	\$	20,272	\$	16,575	\$	13.1%
Affinity Asia Pacific Fund IV	\$	60,000	2/28/2013	\$	71,852	\$	30,683	\$	15.0%
Affinity Asia Pacific Fund V	\$	40,000	12/11/2017	\$	28,802	\$	25,935	\$	6.5%
Bain Capital Ventures 2021	\$	25,000	10/28/2020	\$	22,000	\$	23,220	\$	1.9%
Bain Capital Ventures 2022	\$	25,000	6/10/2022	\$	11,563	\$	14,684	\$	NM
Bain Capital Venture Coinvestment Fund III	\$	15,000	4/1/2021	\$	15,750	\$	14,676	\$	-0.6%
Bain Capital Venture Coinvestment Fund IV	\$	15,000	6/10/2022	\$	7,688	\$	8,377	\$	19.5%
Berkshire Fund VIII	\$	15,000	7/20/2011	\$	17,044	\$	3,521	\$	16.3%
Berkshire Fund IX	\$	50,000	3/18/2016	\$	58,808	\$	58,321	\$	13.5%
Blackstone Capital Partners VI	\$	30,000	6/30/2010	\$	38,554	\$	7,228	\$	12.2%
Blackstone Capital Partners VII	\$	54,000	3/27/2015	\$	64,990	\$	46,199	\$	12.6%
Carlyle Asia Partners III	\$	15,000	12/31/2009	\$	20,694	\$	-	\$	12.6%
Carlyle Asia Partners IV	\$	60,000	6/3/2014	\$	89,995	\$	7,719	\$	12.9%
Carlyle Asia Partners V	\$	45,000	10/30/2017	\$	52,664	\$	43,903	\$	7.5%
Centerbridge Capital Partners III	\$	30,000	10/24/2014	\$	48,857	\$	21,026	\$	14.7%
CB Blizzard Co-Invest	\$	15,684	9/11/2019	\$	15,773	\$	2,013	\$	-17.3%
Charterhouse Capital Partners VIII	\$	13,500	1/6/2011	\$	11,188	\$	-	\$	7.9%

(all dollar amounts in thousands)

MainePERS Private Market Investments Summary: 03/31/2025

Private Equity

Fund Name	Commitment (A)	Date of Commitment	Amount	Total	Current Market		Interim Net IRR
			Contributed (B)	Distributions (C)	Value (D)	Total Value (C+D)	
Charterhouse Capital Partners IX	\$ 4,500	1/6/2011	\$ 5,410	\$ 7,275	\$ 31	\$ 7,305	12.0%
Charterhouse Capital Partners X	\$ 67,000	5/13/2015	\$ 64,379	\$ 88,011	\$ 33,290	\$ 121,301	20.1%
Charterhouse Acrostone	\$ 12,000	8/24/2018	\$ 13,254	\$ 21,268	\$ -	\$ 21,268	16.9%
Charterhouse Capital Partners XI	\$ 45,000	4/23/2021	\$ 29,880	\$ 2,685	\$ 33,984	\$ 36,669	15.8%
CVC Capital Partners VI	\$ 67,000	7/12/2013	\$ 107,287	\$ 136,694	\$ 48,874	\$ 185,568	15.3%
CVC Capital Partners VII	\$ 48,000	5/9/2017	\$ 84,483	\$ 74,666	\$ 59,659	\$ 134,324	19.9%
CVC Capital Partners VIII	\$ 44,000	6/11/2020	\$ 75,795	\$ 35,069	\$ 46,332	\$ 81,401	6.5%
CVC Capital Partners IX	\$ 44,000	6/29/2023	\$ 12,786	\$ 6,209	\$ 6,494	\$ 12,704	NM
CVC Capital Partners Pachelbel (A) SCSp	\$ 6,966	6/14/2024	\$ 6,474	\$ 36	\$ 7,916	\$ 7,953	NM
EnCap Energy Capital VIII	\$ 30,000	1/31/2011	\$ 34,203	\$ 24,981	\$ 11,627	\$ 36,608	1.2%
EnCap Energy Capital Fund VIII Co-Investors	\$ 16,238	12/8/2011	\$ 16,533	\$ 6,775	\$ 6,748	\$ 13,523	-2.4%
EnCap Energy Capital Fund IX	\$ 30,000	12/19/2012	\$ 36,439	\$ 47,624	\$ 7,115	\$ 54,738	10.9%
EnCap Energy Capital Fund X	\$ 40,000	3/5/2015	\$ 49,118	\$ 74,979	\$ 20,044	\$ 95,022	16.3%
EnCap Energy Capital Fund XI	\$ 40,000	5/31/2017	\$ 43,639	\$ 50,958	\$ 31,097	\$ 82,055	22.1%
EnCap Flatrock Midstream Fund III	\$ 20,000	4/9/2014	\$ 25,316	\$ 27,724	\$ 7,608	\$ 35,332	9.6%
EnCap Flatrock Midstream Fund IV	\$ 22,000	11/17/2017	\$ 22,046	\$ 13,274	\$ 14,165	\$ 27,440	8.2%
General Catalyst X - Early Venture	\$ 19,565	3/26/2020	\$ 19,174	\$ -	\$ 29,032	\$ 29,032	10.9%
General Catalyst X - Endurance	\$ 22,826	3/26/2020	\$ 22,859	\$ 1,431	\$ 26,110	\$ 27,541	4.7%
General Catalyst X - Growth Venture	\$ 32,609	3/26/2020	\$ 32,120	\$ -	\$ 43,452	\$ 43,452	7.6%
General Catalyst XI - Creation	\$ 8,823	10/29/2021	\$ 7,950	\$ -	\$ 11,134	\$ 11,134	21.4%
General Catalyst XI - Endurance	\$ 29,412	10/29/2021	\$ 27,518	\$ -	\$ 30,644	\$ 30,644	4.4%
General Catalyst XI - Ignition	\$ 11,765	10/29/2021	\$ 9,822	\$ -	\$ 11,394	\$ 11,394	6.4%
General Catalyst XII - Creation	\$ 6,250	1/26/2024	\$ 2,923	\$ -	\$ 3,775	\$ 3,775	NM
General Catalyst XII - Endurance	\$ 9,375	1/26/2024	\$ 5,543	\$ -	\$ 5,504	\$ 5,504	NM
General Catalyst XII - Health Assurance	\$ 3,125	1/26/2024	\$ 1,319	\$ -	\$ 1,218	\$ 1,218	NM
General Catalyst XII - Ignition	\$ 6,250	1/26/2024	\$ 2,510	\$ -	\$ 2,531	\$ 2,531	NM
GTCR Fund X	\$ 30,000	1/28/2011	\$ 31,766	\$ 64,646	\$ -	\$ 64,646	21.4%
GTCR Fund XI	\$ 35,000	11/15/2013	\$ 35,162	\$ 85,389	\$ 19,989	\$ 105,378	30.5%
GTCR Fund XII	\$ 50,000	9/29/2017	\$ 53,796	\$ 35,916	\$ 61,492	\$ 97,409	19.8%
Co-Investment #1	\$ 5,238	4/26/2019	\$ 4,556	\$ -	\$ 10,759	\$ 10,759	15.7%
Co-Investment #2	\$ 5,997	11/1/2019	\$ 5,977	\$ 10,962	\$ 906	\$ 11,868	38.8%

MainePERS Private Market Investments Summary: 03/31/2025

Private Equity

Fund Name	Commitment		Date of Commitment	Amount		Total		Current Market				
	(A)			Contributed		Distributions		Value	Total Value	Interim Net		
				(B)		(C)		(D)	(C+D)	IRR		
GTCR XIII	\$	50,000	10/27/2020	\$	41,180	\$	6,756	\$	51,069	\$	57,825	19.8%
GTCR XIV	\$	50,000	12/16/2022	\$	5,240	\$	-	\$	8,000	\$	8,000	NM
H.I.G. Bayside Loan Fund II	\$	25,000	5/28/2010	\$	23,985	\$	32,479	\$	-	\$	32,479	7.1%
H.I.G. Bayside Loan Ops Fund III (Europe)	\$	30,000	7/27/2012	\$	26,707	\$	31,070	\$	3,301	\$	34,371	6.9%
H.I.G. Brazil & Latin America Partners	\$	60,000	7/1/2015	\$	72,383	\$	40,825	\$	55,320	\$	96,145	7.4%
H.I.G. Capital Partners V	\$	15,000	2/28/2013	\$	22,458	\$	37,114	\$	5,766	\$	42,880	22.3%
H.I.G. Europe Capital Partners II	\$	22,500	7/1/2013	\$	26,112	\$	25,481	\$	11,075	\$	36,557	9.7%
H.I.G. Growth Buyouts & Equity Fund II	\$	17,500	6/30/2011	\$	26,128	\$	38,294	\$	5,131	\$	43,425	13.2%
H.I.G. Growth Buyouts & Equity Fund III	\$	35,000	9/13/2018	\$	27,951	\$	4,013	\$	28,034	\$	32,046	6.9%
H.I.G Middle Market LBO Fund II	\$	40,000	2/7/2014	\$	52,014	\$	79,561	\$	14,355	\$	93,916	24.8%
Co-Investment #1	\$	9,000	10/12/2017	\$	9,000	\$	-	\$	0	\$	0	-79.9%
Co-Investment #2	\$	686	6/19/2020	\$	686	\$	33	\$	380	\$	413	-10.1%
Co-Investment #3	\$	1,000	6/1/2021	\$	1,079	\$	-	\$	0	\$	0	-89.8%
H.I.G. Middle Market LBO Fund III	\$	40,000	7/23/2019	\$	39,838	\$	17,752	\$	32,465	\$	50,217	9.6%
Hellman & Friedman Capital Partners VII	\$	30,000	6/19/2009	\$	45,189	\$	111,116	\$	2,415	\$	113,531	24.6%
Hellman & Friedman Capital Partners VIII	\$	45,000	9/24/2014	\$	49,563	\$	33,790	\$	49,924	\$	83,714	10.9%
Hellman & Friedman Capital Partners IX	\$	45,000	9/28/2018	\$	48,787	\$	7,380	\$	71,055	\$	78,435	13.2%
Hellman & Friedman Capital Partners X	\$	45,000	5/10/2021	\$	38,898	\$	5,147	\$	40,150	\$	45,296	6.3%
Inflexion Buyout Fund IV	\$	27,000	9/30/2014	\$	38,206	\$	51,187	\$	13,509	\$	64,696	14.3%
Inflexion Partnership Capital Fund I	\$	17,000	9/30/2014	\$	26,160	\$	40,851	\$	8,133	\$	48,984	21.9%
Inflexion Supplemental Fund IV	\$	10,000	5/31/2016	\$	15,612	\$	23,332	\$	6,991	\$	30,324	22.4%
Kelso Investment Associates VIII	\$	3,000	1/6/2011	\$	3,044	\$	4,358	\$	9	\$	4,368	7.9%
Kelso Investment Associates IX	\$	60,000	11/5/2014	\$	70,433	\$	88,369	\$	31,698	\$	120,067	17.8%
KIA IX (Hammer) Investor	\$	25,000	8/12/2016	\$	25,492	\$	69,544	\$	-	\$	69,544	21.4%
Kelso Investment Associates X	\$	45,000	3/16/2018	\$	50,708	\$	21,341	\$	71,060	\$	92,400	20.7%
Kelso Investment Associates XI	\$	45,000	12/22/2021	\$	20,132	\$	1,924	\$	22,580	\$	24,504	NM
Kelso XI Heights Co-Investment	\$	12,000	8/19/2022	\$	10,035	\$	-	\$	10,005	\$	10,005	-0.1%
KKR North American Fund XI	\$	60,000	2/7/2012	\$	101,595	\$	168,091	\$	22,034	\$	190,125	18.9%
KKR North America Fund XI (Platinum)	\$	8,003	2/26/2016	\$	8,040	\$	2,313	\$	-	\$	2,313	-98.0%
KKR Element Co-Invest	\$	10,000	8/29/2016	\$	10,050	\$	24,030	\$	-	\$	24,030	23.5%
KKR Americas XII	\$	60,000	3/3/2016	\$	69,741	\$	63,632	\$	73,932	\$	137,564	19.7%

MainePERS Private Market Investments Summary: 03/31/2025

Private Equity

Fund Name	Commitment		Amount Contributed (B)	Total Distributions (C)	Current Market		Interim Net IRR
	(A)	Date of Commitment			Value (D)	Total Value (C+D)	
KKR Sigma Aggregator	\$ 15,000	6/22/2018	\$ 15,000	\$ -	\$ 22,322	\$ 22,322	6.1%
KKR Enterprise Co-Invest	\$ 15,000	10/11/2018	\$ 15,000	\$ -	\$ -	\$ -	-100.0%
KKR Enterprise Co-Invest AIV A	\$ 8,936	11/8/2019	\$ 8,936	\$ 7,908	\$ 198	\$ 8,106	-10.3%
KKR North America XIII	\$ 40,000	6/25/2021	\$ 30,460	\$ 754	\$ 36,193	\$ 36,947	11.6%
KKR Special Situations Fund	\$ 60,000	12/19/2012	\$ 118,957	\$ 103,368	\$ 3,880	\$ 107,247	-3.7%
KKR Special Situations Fund II	\$ 60,000	12/19/2014	\$ 98,284	\$ 82,487	\$ 14,345	\$ 96,832	-0.6%
Long Ridge Equity Partners IV	\$ 15,000	6/26/2023	\$ 0	\$ -	\$ (213)	\$ (213)	NM
Metwest Enhanced TALF Strategy Fund L. P.	\$ 75,000	7/31/2009	\$ 53,350	\$ 67,405	\$ -	\$ 67,405	10.2%
Oaktree Opportunities VIII	\$ 30,000	12/9/2009	\$ 30,000	\$ 43,920	\$ 49	\$ 43,968	9.1%
ONCAP IV	\$ 15,000	11/8/2016	\$ 17,401	\$ 7,774	\$ 18,667	\$ 26,441	11.0%
Onex Partners III	\$ 10,000	1/6/2011	\$ 11,224	\$ 17,655	\$ 1,417	\$ 19,072	13.1%
Onex Partners IV	\$ 60,000	11/22/2013	\$ 67,272	\$ 71,542	\$ 21,452	\$ 92,994	6.9%
Co-Investment #1	\$ 10,000	2/27/2017	\$ 10,471	\$ 1,235	\$ 585	\$ 1,821	-29.1%
Onex Partners V	\$ 45,000	7/11/2017	\$ 43,283	\$ 9,040	\$ 52,738	\$ 61,777	11.6%
Paine & Partners Capital Fund IV	\$ 60,000	12/18/2014	\$ 58,525	\$ 29,545	\$ 50,078	\$ 79,624	6.2%
Wawona Co-Investment Fund I	\$ 15,000	3/31/2017	\$ 15,023	\$ -	\$ -	\$ -	-100.0%
Lyons Magnus Co-Investment Fund I	\$ 15,000	11/8/2017	\$ 15,016	\$ -	\$ 26,159	\$ 26,159	7.8%
PSP Maverick Co-Invest	\$ 7,238	9/12/2019	\$ 7,264	\$ 476	\$ -	\$ 476	-41.1%
PSP AH&N Co-Investment Fund	\$ 23,895	11/27/2019	\$ 21,361	\$ -	\$ 34,147	\$ 34,147	11.0%
Paine Schwartz Food Chain Fund V	\$ 45,000	8/3/2018	\$ 49,818	\$ 26,877	\$ 43,963	\$ 70,840	16.1%
SNFL Co-Investment Fund	\$ 5,000	10/11/2019	\$ 5,024	\$ 5,524	\$ 5,681	\$ 11,204	19.2%
Rhone Partners V	\$ 56,000	3/12/2015	\$ 78,734	\$ 73,357	\$ 73,622	\$ 146,979	16.3%
Riverside Capital Appreciation Fund VI	\$ 60,000	7/3/2013	\$ 64,286	\$ 80,144	\$ 15,627	\$ 95,771	10.5%
RCAF VI CIV XXXII	\$ 12,399	10/21/2015	\$ 12,687	\$ 35,268	\$ -	\$ 35,268	19.9%
Riverside Micro-Cap Fund III	\$ 35,000	6/30/2014	\$ 51,608	\$ 194,767	\$ 28,456	\$ 223,224	34.9%
Riverside Micro-Cap Fund IV	\$ 60,000	10/23/2015	\$ 55,659	\$ 14,842	\$ 78,075	\$ 92,917	7.4%
Riverside Micro-Cap Fund IV-B	\$ 20,000	8/9/2019	\$ 24,169	\$ 22,104	\$ 10,100	\$ 32,204	8.0%
Riverside Micro-Cap Fund V	\$ 40,000	8/21/2018	\$ 37,369	\$ 7,575	\$ 49,419	\$ 56,994	11.7%
Riverside Micro-Cap Fund VI	\$ 45,000	8/26/2021	\$ 24,594	\$ 263	\$ 25,083	\$ 25,346	2.1%
Shoreview Capital Partners III	\$ 24,000	7/24/2013	\$ 26,306	\$ 39,811	\$ 13,547	\$ 53,358	16.4%
Shoreview Capital Partners IV	\$ 30,000	6/3/2019	\$ 19,686	\$ 20,219	\$ 17,897	\$ 38,115	39.1%

(all dollar amounts in thousands)

MainePERS Private Market Investments Summary: 03/31/2025

Private Equity

Fund Name	Commitment		Amount Contributed (B)	Total Distributions (C)	Current Market		Interim Net IRR
	(A)	Date of Commitment			Value (D)	Total Value (C+D)	
Shoreview Capital Partners V	\$ 25,000	9/13/2024	\$ 0	\$ -	\$ (49)	\$ (49)	NM
Sovereign Capital IV	\$ 46,500	7/7/2014	\$ 41,052	\$ 35,142	\$ 28,614	\$ 63,755	9.6%
Summit Partners Credit II	\$ 60,000	10/25/2013	\$ 91,474	\$ 88,635	\$ 11,652	\$ 100,287	3.5%
Summit Europe Growth Equity III	\$ 22,000	3/18/2020	\$ 23,141	\$ 7,157	\$ 24,830	\$ 31,987	15.0%
Summit Europe Growth Equity IV	\$ 22,000	2/10/2023	\$ 405	\$ -	\$ 225	\$ 225	NM
Summit Growth Equity VIII	\$ 25,000	5/27/2011	\$ 34,275	\$ 70,622	\$ 3,573	\$ 74,196	25.5%
Co-Investment #1	\$ 16,000	6/3/2015	\$ 16,000	\$ 38,735	\$ 24,156	\$ 62,892	30.8%
Summit Growth Equity IX	\$ 60,000	8/26/2015	\$ 86,818	\$ 107,614	\$ 64,583	\$ 172,197	24.3%
Co-Investment #1	\$ 15,000	11/29/2016	\$ 14,895	\$ 41,743	\$ -	\$ 41,743	159.6%
Summit Partners Co-Invest (Ironman)	\$ 16,020	4/20/2018	\$ 16,024	\$ -	\$ 17,733	\$ 17,733	1.6%
Summit Partners Co-Invest (Giants-B)	\$ 15,292	10/22/2019	\$ 15,292	\$ 42,588	\$ 736	\$ 43,324	77.7%
Summit Growth Equity X	\$ 60,000	2/26/2019	\$ 63,634	\$ 22,280	\$ 69,478	\$ 91,759	13.6%
Summit Partners Co-Invest (Lions)	\$ 7,534	10/14/2020	\$ 7,534	\$ 119	\$ 14,413	\$ 14,532	16.4%
Summit Partners Co-Invest (Indigo)	\$ 10,000	12/11/2020	\$ 11,440	\$ -	\$ 11,425	\$ 11,425	0.0%
Summit Growth Equity XI	\$ 45,000	10/1/2021	\$ 18,149	\$ 183	\$ 19,607	\$ 19,790	NM
Summit Growth Equity XII	\$ 25,000	10/1/2024	\$ -	\$ -	\$ -	\$ -	NM
Summit Venture Capital III	\$ 13,150	5/27/2011	\$ 18,044	\$ 32,899	\$ 3,421	\$ 36,321	17.4%
Summit Venture Capital IV	\$ 40,000	8/26/2015	\$ 52,809	\$ 56,183	\$ 74,328	\$ 130,511	34.2%
Summit Venture Capital V	\$ 45,000	6/16/2020	\$ 38,675	\$ 2,771	\$ 39,319	\$ 42,090	4.0%
Summit Partners Co-Invest (CS)	\$ 13,753	10/22/2021	\$ 13,849	\$ -	\$ 13,721	\$ 13,721	-0.3%
Technology Crossover Ventures VIII	\$ 60,000	5/8/2013	\$ 56,269	\$ 99,712	\$ 29,988	\$ 129,700	12.3%
Technology Crossover Ventures IX	\$ 60,000	2/19/2016	\$ 52,245	\$ 73,313	\$ 40,207	\$ 113,521	19.2%
TCV Sports	\$ 8,000	9/25/2018	\$ 8,000	\$ -	\$ 18,519	\$ 18,519	13.8%
Technology Crossover Ventures X	\$ 45,000	8/31/2018	\$ 38,003	\$ 21,850	\$ 64,815	\$ 86,665	20.9%
Technology Crossover Ventures XI	\$ 45,000	10/2/2020	\$ 39,063	\$ -	\$ 41,667	\$ 41,667	2.7%
Technology Impact Fund	\$ 40,000	12/18/2017	\$ 38,764	\$ 24,707	\$ 119,288	\$ 143,995	39.1%
Technology Impact Fund II	\$ 40,000	4/13/2021	\$ 19,224	\$ 342	\$ 21,986	\$ 22,328	NM
Technology Impact Growth Fund	\$ 40,000	11/26/2018	\$ 50,884	\$ 26,676	\$ 48,558	\$ 75,234	13.0%
Technology Impact Growth Fund II	\$ 40,000	8/6/2021	\$ 22,540	\$ 232	\$ 22,612	\$ 22,844	0.7%
TIGF II Direct Strategies LLC - Series 3	\$ 5,000	7/14/2023	\$ 5,044	\$ -	\$ 4,991	\$ 4,991	NM
TIGF II Direct Strategies LLC - Series 5	\$ 5,000	12/13/2024	\$ 5,000	\$ -	\$ 4,997	\$ 4,997	NM

MainePERS Private Market Investments Summary: 03/31/2025

Private Equity

Fund Name	Commitment		Date of Commitment	Amount		Total Distributions	Current Market		Interim Net IRR
	(A)			(B)			Value (D)	Total Value (C+D)	
Tenex Capital Partners IV	\$ 50,000		7/2/2024	\$ 0	\$ -	\$ (1,454)	\$ (1,454)		NM
Thoma Bravo Fund XI	\$ 50,000		5/1/2014	\$ 79,267	\$ 172,814	\$ 42,522	\$ 215,337		26.2%
Thoma Bravo Fund XII	\$ 60,000		4/27/2016	\$ 80,200	\$ 95,321	\$ 63,021	\$ 158,342		15.4%
Thoma Bravo Fund XIII	\$ 45,000		12/7/2018	\$ 62,922	\$ 60,240	\$ 55,385	\$ 115,625		23.0%
Thoma Bravo Special Opportunities Fund II	\$ 15,000		3/27/2015	\$ 18,113	\$ 21,091	\$ 19,750	\$ 40,840		15.9%
Thoma Bravo Discover Fund IV	\$ 45,000		7/1/2022	\$ 34,890	\$ 4,357	\$ 41,239	\$ 45,596		19.6%
Thoma Bravo Discover Fund V	\$ 50,000		5/31/2024	\$ -	\$ -	\$ -	\$ -		NM
Tillridge Global Agribusiness Partners II	\$ 50,000		10/21/2016	\$ 34,642	\$ 5,082	\$ 25,371	\$ 30,453		-3.4%
Water Street Healthcare Partners III	\$ 25,000		7/25/2012	\$ 30,619	\$ 78,721	\$ 8,790	\$ 87,511		34.8%
Water Street Healthcare Partners IV	\$ 33,000		9/15/2017	\$ 38,205	\$ 23,604	\$ 45,691	\$ 69,295		17.0%
Water Street Healthcare Partners V	\$ 43,000		4/15/2022	\$ 17,384	\$ -	\$ 14,663	\$ 14,663		NM
Wayzata Opportunities Fund III	\$ 30,000		9/11/2012	\$ 14,718	\$ 15,164	\$ 506	\$ 15,669		1.3%
Wynnchurch Capital Partners IV	\$ 40,000		10/23/2014	\$ 38,904	\$ 66,322	\$ 41,457	\$ 107,779		24.5%
Wynnchurch Capital Partners V	\$ 40,000		1/15/2020	\$ 36,938	\$ 2,166	\$ 44,876	\$ 47,042		9.9%
Wynnchurch Capital Partners VI	\$ 40,000		1/18/2024	\$ 5,117	\$ -	\$ 5,421	\$ 5,421		NM

MainePERS Private Market Investments Summary: 03/31/2025

Real Estate

Fund Name	Commitment (A)	Date of Commitment	Amount Contributed (B)	Total Distributions (C)	Current Market Value (D)	Total Value (C+D)	Interim Net IRR
Angelo Gordon Net Lease IV	\$ 50,000	2/17/2020	\$ 47,682	\$ 11,420	\$ 45,509	\$ 56,930	6.0%
Angelo Gordon Realty Fund XI	\$ 50,000	3/31/2022	\$ 20,721	\$ 157	\$ 20,793	\$ 20,950	NM
Bain Capital Real Estate II	\$ 50,000	3/5/2021	\$ 38,498	\$ 3,611	\$ 35,080	\$ 38,690	0.3%
Bain Capital Real Estate III	\$ 35,000	12/18/2023	\$ 15,979	\$ 2,978	\$ 12,198	\$ 15,176	NM
Blackrock Granite Property Fund	\$ 63,791	9/30/2006	\$ 68,771	\$ 53,312	\$ -	\$ 53,312	-4.9%
Blackstone Property Partners	\$ 350,000	6/29/2017	\$ 350,000	\$ 49,378	\$ 354,125	\$ 403,503	2.4%
Blackstone Real Estate Partners VII	\$ 75,000	2/26/2012	\$ 107,502	\$ 158,964	\$ 9,067	\$ 168,030	14.3%
Blackstone Real Estate Partners VIII	\$ 50,000	3/27/2015	\$ 66,609	\$ 69,248	\$ 30,057	\$ 99,304	12.2%
Blackstone Real Estate Partners IX	\$ 40,000	12/21/2018	\$ 46,293	\$ 17,586	\$ 40,293	\$ 57,879	8.7%
Barings Asia Real Estate II	\$ 50,000	7/31/2018	\$ 46,310	\$ 6,212	\$ 33,606	\$ 39,818	-6.3%
EQT Real Estate II	\$ 55,000	4/26/2019	\$ 45,048	\$ 15,166	\$ 35,512	\$ 50,678	5.1%
EQT Real Estate Rock Co-Investment	\$ 11,000	8/10/2020	\$ 9,406	\$ -	\$ 11,584	\$ 11,584	5.5%
H/2 Credit Partners, L.P.	\$ 75,000	6/21/2011	\$ 75,000	\$ 112,177	\$ -	\$ 112,177	5.9%
Harrison Street Core Property Fund, L.P.	\$ 75,000	4/30/2012	\$ 97,366	\$ 62,303	\$ 118,362	\$ 180,665	7.1%
HSRE-Coyote Maine PERS Core Co-Investment	\$ 20,000	12/4/2020	\$ 16,111	\$ 2,698	\$ 11,221	\$ 13,919	-4.0%
High Street Real Estate Fund IV, L.P.	\$ 25,000	8/23/2013	\$ 24,717	\$ 34,157	\$ -	\$ 34,157	14.7%
High Street Real Estate Fund V	\$ 25,000	7/24/2015	\$ 24,925	\$ 36,176	\$ -	\$ 36,176	13.2%
High Street Real Estate Fund VI	\$ 25,000	3/22/2019	\$ 25,000	\$ 10,014	\$ 36,257	\$ 46,271	16.7%
HSREF VI Elgin Co-Invest	\$ 10,000	4/9/2021	\$ 10,000	\$ 2,784	\$ 13,617	\$ 16,401	14.8%
High Street Real Estate Fund VII	\$ 35,000	8/16/2021	\$ 35,000	\$ 1,705	\$ 42,719	\$ 44,424	9.7%
High Street Real Estate VII Venture	\$ 15,000	3/17/2023	\$ 15,000	\$ 888	\$ 20,181	\$ 21,069	24.3%
High Street Logistics Value Fund I	\$ 35,000	4/17/2024	\$ 41,571	\$ 4,987	\$ 35,011	\$ 39,998	NM
High Street VF I Co-Invest	\$ 3,896	8/28/2024	\$ 5,043	\$ -	\$ 5,022	\$ 5,022	NM
Hines US Property Partners	\$ 200,000	9/9/2021	\$ 221,175	\$ 21,604	\$ 215,211	\$ 236,815	4.0%
Invesco Real Estate Asia IV	\$ 30,000	3/25/2020	\$ 26,106	\$ 19,498	\$ 9,099	\$ 28,597	7.9%
Invesco US Income Fund	\$ 195,000	7/17/2014	\$ 251,426	\$ 92,703	\$ 302,328	\$ 395,031	7.8%
IPI Data Center Partners I	\$ 30,000	12/15/2017	\$ 39,776	\$ 30,722	\$ 31,735	\$ 62,457	14.0%
IPI Data Center Partners II	\$ 25,000	12/20/2019	\$ 24,535	\$ 1,619	\$ 30,413	\$ 32,032	11.3%
JPMCB Strategic Property Fund	\$ 130,000	11/15/2005	\$ 186,941	\$ 297,519	\$ -	\$ 297,519	5.8%
KKR Real Estate Partners Europe I	\$ 50,000	12/2/2015	\$ 54,484	\$ 56,486	\$ 14,352	\$ 70,838	8.9%
KKR Real Estate Partners Europe II	\$ 25,000	12/23/2019	\$ 25,441	\$ 6,411	\$ 19,801	\$ 26,212	1.5%
KKR Real Estate Partners Americas I	\$ 50,000	12/20/2013	\$ 50,181	\$ 61,004	\$ 303	\$ 61,307	10.5%
KKR Real Estate Partners Americas II	\$ 50,000	6/2/2016	\$ 62,443	\$ 75,967	\$ 7,726	\$ 83,692	17.8%

MainePERS Private Market Investments Summary: 03/31/2025

Real Estate

Fund Name	Commitment (A)	Date of Commitment	Amount Contributed (B)	Total Distributions (C)	Current Market Value (D)	Total Value (C+D)	Interim Net IRR
Northbridge-Strategic Fund II	\$ 30,000	2/8/2019	\$ 30,000	\$ 8,972	\$ 54,388	\$ 63,360	13.9%
Prima Mortgage Investment Trust, LLC	\$ 75,000	7/29/2011	\$ 97,490	\$ 131,918	\$ -	\$ 131,918	3.8%
Principal Life Insurance Company U.S. Property	\$ 60,000	5/20/2005	\$ 60,000	\$ 125,410	\$ -	\$ 125,410	6.2%
PRISA	\$ 90,000	6/30/2005	\$ 139,622	\$ 222,450	\$ -	\$ 222,450	5.3%
Rubenstein Properties Fund III	\$ 30,000	10/23/2015	\$ 30,606	\$ 627	\$ 4,047	\$ 4,674	-28.1%
LCC Co-Investor B	\$ 15,000	10/18/2019	\$ 15,000	\$ -	\$ -	\$ -	-100.0%
Rubenstein Properties Fund IV	\$ 25,000	4/16/2019	\$ 8,286	\$ 56	\$ 808	\$ 864	NM
Prudential Senior Housing Fund V	\$ 50,000	3/17/2015	\$ 41,333	\$ 6,841	\$ 35,410	\$ 42,250	0.3%
Smart Markets Fund, L.P.	\$ 195,000	6/17/2013	\$ 243,108	\$ 90,249	\$ 297,266	\$ 387,515	7.2%
Stonelake Opportunity Partners VII	\$ 40,000	6/30/2022	\$ 24,000	\$ -	\$ 21,931	\$ 21,931	-13.0%
Walton Street Real Estate Fund VII	\$ 50,000	5/9/2012	\$ 44,265	\$ 56,033	\$ 3,497	\$ 59,530	8.3%
Walton Street Real Estate Fund VIII	\$ 50,000	10/23/2015	\$ 43,944	\$ 41,587	\$ 18,515	\$ 60,101	8.6%
Co-Investment #1	\$ 10,000	9/27/2017	\$ 10,293	\$ 4,160	\$ -	\$ 4,160	-60.0%
Westbrook Real Estate Fund IX	\$ 15,000	6/30/2014	\$ 17,480	\$ 17,500	\$ 1,193	\$ 18,693	2.7%
Westbrook Real Estate Fund X	\$ 50,000	1/15/2015	\$ 53,092	\$ 42,649	\$ 10,837	\$ 53,486	0.4%
Westbrook Real Estate Fund XI	\$ 40,000	1/31/2019	\$ 44,273	\$ 20,128	\$ 28,766	\$ 48,894	7.2%

MainePERS Private Market Investments Summary: 3/31/2025

Notes: NM = Not Meaningful. MainePERS only reports IRRs for funds with more than 24 months of history and for which Amount Contributed is greater than 50% of Commitments. "Date of Commitment" is not the date of first capital draw. The "IRR" presented uses interim estimates and may not be indicative of ultimate performance of partnership investments due to a number of factors including lags in valuation, maturity of fund, and differences in investment pace and strategy of various funds. Performance figures should not be used to compare returns among multiple funds or different limited partners. Private market investments are long-term investments which are expected to generate returns over the course of their entire life cycle of 10 or more years. Common industry practice dictates that any performance analysis on these funds while they are still in the early years of their investment cycle would not generate meaningful results. The Interim Net IRR figures presented in this table are based on cash flow information provided by the general partner. The above information was not prepared, reviewed, or approved by any of the partnerships, general partners, or their affiliates and may differ from those generated by the general partner or other limited partners due to differences in timing of investments, disposal of in-kind distributions, and accounting and valuation policies.

MAINEPERS

BOARD OF TRUSTEES INVESTMENTS MEMORANDUM

TO: BOARD MEMBERS
FROM: JAMES BENNETT, CHIEF INVESTMENT OFFICER
SUBJECT: PROXY SERVICES REVIEW
DATE: OCTOBER 1, 2025

MainePERS engaged Glass Lewis to serve as the System's proxy voting service provider in 2011, and opted to continue this engagement following an in-depth RFP process conducted in 2020. Board Policy 2.1 requires the Investment Team to evaluate the performance and contract terms of the System's service providers at least every five years, and to make a recommendation to the Board as to whether or not to initiate a search process for a new provider.

The Investment Team began this required evaluation during 2025. This memo describes the process used to conduct this evaluation and contains the Investment Team's recommendation that the System retain Glass Lewis in its role as proxy voting service provider.

POLICY REFERENCE

[Board Policy 2.1 – Investment Policy Statement](#)

[Board Policy 2.7 - Engagement](#)

PROXY AGENT REVIEW PROCESS

The review of the System's proxy voting services was performed by four members of the Investment Team:

- James Bennett, Chief Investment Officer
- Scott Lupkas, Deputy Chief Investment Officer
- Justin Hodgkins, Senior Analyst – Investment Operations
- Mitch Pierter, Senior Analyst – Investments

The review team began by identifying three additional prospective providers of proxy voting services, each of which provides services to large institutional investors. A Request For Information (RFI) was sent to each of these three firms, as well as the incumbent provider, on July 1, 2025. This RFI requested detailed pricing for all relevant proxy voting services as well as a review of service capabilities.

The three firms that provided responses to the RFI by the July 31 deadline were Egan Jones Proxy Services, ISS Stoxx, and the incumbent, Glass Lewis. Between August 20 and 26, a virtual or in-person meeting was held with each firm, including the incumbent. The meetings were typically an hour long and allowed the firms to present an overview of their capabilities as well as answer questions from the MainePERS team. These meetings additionally included demonstrations of each firm's proprietary proxy management systems.

At the conclusion of this process, the review team unanimously agreed to recommend to Trustees that Glass Lewis be retained as the System's proxy voting service provider. This recommendation is based on a careful review of a range of factors including:

- Proxy voting management services
- Reporting and project control capabilities
- MainePERS engagement policy maintenance and revision services
- Pricing

RECOMMENDATION

That MainePERS continue to retain Glass Lewis as proxy voting service provider.

MAINEPERS

BOARD OF TRUSTEES MEMORANDUM

TO: BOARD MEMBERS
FROM: SHERRY VANDRELL, CHIEF FINANCIAL OFFICER
SUBJECT: FY25 AUDITED FINANCIAL STATEMENTS
DATE: SEPTEMBER 29, 2025

POLICY REFERENCE

[Board Policy 1.6 – Finance and Audit Committee of the Board](#)

[Board Policy 4.5 – Board/Staff Relations](#)

[Board Policy 4.6 – Communication and Support to the Board](#)

BerryDunn is completing its audit of the System's FY25 Financial Statements and Required Supplemental information, pending Board acceptance of the annual valuation reports. A draft of the financial statements follows this memo. The auditor's report will be provided as soon as it is available.

Mark LaPrade, Principal, and Leah Clair, Senior Manager, will present the draft financial statements at the October 9, 2025 meeting and will answer any questions you may have at that time. If the Board accepts the audited financial statements, they will be finalized following the meeting.

RECOMMENDATION

Accept the FY25 Audited Financial Statements as presented.

Maine Public Employees Retirement System

(A Component Unit of the State of Maine)

Financial Statements,
Required Supplementary Information
and Additional Supplementary Information

Year Ended June 30, 2025
With Independent Auditor's Report

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

**FINANCIAL STATEMENTS,
REQUIRED SUPPLEMENTARY INFORMATION
AND ADDITIONAL SUPPLEMENTARY INFORMATION**

Year Ended June 30, 2025
With Summarized Information for June 30, 2024

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MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

(A Component Unit of the State of Maine)

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

June 30, 2025

Introduction

This Management's Discussion and Analysis (MD&A) is prepared by the management staff of the Maine Public Employees Retirement System (MainePERS or the System) for the purpose of providing an overview of the System's financial statements.

Financial Reporting Structure

The System's financial statements are prepared on an accrual basis of accounting in accordance with Governmental Accounting Standards Board (GASB) pronouncements. The accrual basis of accounting requires the recognition and recording of financial transactions and other related events when they occur and not just in conjunction with the inflows and outflows of cash and other resources.

The funds managed by the System are held in trust and consistent with state and federal law can only be used for the payment of pension and related benefits to its members or, in the case of the Retiree Health Insurance Trust Fund, for the payment of retiree health insurance premiums for eligible retirees of the State of Maine. The System's Board of Trustees (the Board), as fiduciary, establishes the System's investment policies and oversees their overall implementation.

The System reports five defined benefit retirement plans consisting of the State Employee and Teacher Plan, a multiple-employer cost sharing plan with a special funding situation; the Judicial Plan, a single employer plan; the Legislative Plan, a single employer plan; the PLD Consolidated Plan, a multiple-employer cost sharing plan; and the PLD Agent Plan, an agent multiple-employer plan. The System also reports a Group Life Insurance Plan covering active state employees (including judges and legislators), teachers, and participating employees of the PLD Plan as well as two multiple-employer cost sharing other post-employment benefit (OPEB) plans providing life insurance coverage in retirement for retired state employees, including judges and legislators teachers and eligible retirees of the PLD Plans. In addition, the System reports certain defined contribution plans, the MainePERS OPEB Trust, and the Retiree Health Insurance Trust Fund.

Basic Financial Statements

The Statement of Fiduciary Net Position reports the balance of Fiduciary Net Position restricted for future benefits as of the fiscal year end, with summarized values reported as of the previous fiscal year end. The Statement of Changes in Fiduciary Net Position reports the net change in Fiduciary Net Position for the fiscal year, with summarized values reported for the previous fiscal year. The System reports each as separate funds and in separate columns in the financial statements. Condensed versions of both statements are included in the following section.

The Schedules of Changes in the Plan's Net Pension Liability and Related Ratios (Required Supplementary Information) present the total pension liability and information indicating the source of changes in the liability for each defined benefit retirement plan administered by the System. In addition, they show summary information regarding each Plan's net position for the years presented. They also present each Plan's net pension liability as a percentage of the covered payroll.

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

(A Component Unit of the State of Maine)

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED, CONTINUED)

June 30, 2025

The Schedules of Employer Contributions (Required Supplementary Information) present the actuarially determined contributions for each defined benefit plan and compare them to actual employer contributions for the period presented. They also provide the actual contributions as a percentage of covered payroll for each year.

The Schedule of Investment Returns (Required Supplementary Information) presents the annual money-weighted rate of return, net of investment expenses, for all of the defined benefit plans for each year presented.

The Schedules of Changes in the Plan's Net OPEB Liability and Related Ratios for the Group Life Insurance Plans (Required Supplementary Information) present the total OPEB liability and information indicating the source of changes in the liability for each OPEB plan administered by the System. In addition, they show summary information regarding each Plan's net position for the years presented. They also present each Plan's net OPEB liability as a percentage of the covered payroll.

The Schedules of Employer Contributions for the Group Life Insurance Plans (Required Supplementary Information) present the actuarially determined contributions for each OPEB plan and compare them to actual employer contributions for the periods presented. They also provide the actual contributions as a percentage of covered payroll for each year.

The Schedule of Investment Returns (Required Supplementary Information) presents the annual money-weighted rate of return, net of investment expenses, for all of the OPEB plans for each year presented.

Financial Highlights and Analysis

The following are the Condensed Comparative Statements of Fiduciary Net Position and Condensed Comparative Statements of Changes in Fiduciary Net Position for the System for the fiscal years ended June 30, 2025, 2024, and 2023:

Condensed Comparative Statements of Fiduciary Net Position

(Dollar Values Expressed in Millions)

	June 30, 2025	June 30, 2024	June 30, 2023
Cash and Receivables	\$ 96.4	\$ 101.3	\$ 248.2
Investments at Fair Value	22,386.7	20,852.2	19,586.8
Collateral on Loaned Securities	18.5	3.4	6.9
Other Assets	14.4	12.7	12.3
Total Assets	\$ 22,516.0	\$ 20,969.6	\$ 19,854.2
Investment Management Fees Payable	\$ 0.3	\$ 0.4	\$ 1.9
Obligations Under Securities Lending Activities	26.8	63.4	25.4
Other Liabilities	22.2	6.5	10.2
Total Liabilities	\$ 49.3	\$ 70.3	\$ 37.5
Fiduciary Net Position - Restricted for Benefits	\$ 22,466.7	\$ 20,899.3	\$ 19,816.7

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
(A Component Unit of the State of Maine)

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED, CONTINUED)

June 30, 2025

Condensed Comparative Statements of Changes in Fiduciary Net Position <i>(Dollar Values Expressed in Millions)</i>			
	June 30, 2025	June 30, 2024	June 30, 2023
ADDITIONS:			
Member Contributions	\$ 284.1	\$ 263.7	\$ 248.9
Employer Contributions	452.4	402.6	536.6
Non-Employer Contributing Entities Contributions	225.8	225.7	204.7
Total Investment Income (Loss)	1,981.9	1,525.8	1,175.0
Transfers from Other Plans	0.3	0.3	1.1
Total Additions	\$ 2,944.5	\$ 2,418.1	\$ 2,166.3
DEDUCTIONS:			
Benefits Paid	\$ 1,312.7	\$ 1,271.3	\$ 1,209.1
Other	64.4	64.2	52.1
Total Deductions	\$ 1,377.1	\$ 1,335.5	\$ 1,261.2
Net Increase (Decrease)	\$ 1,567.4	\$ 1,082.6	\$ 905.1
Fiduciary Net Position - Restricted for Benefits, Beginning of Year	\$ 20,899.3	\$ 19,816.7	\$ 18,911.6
Fiduciary Net Position - Restricted for Benefits, End of Year	\$ 22,466.7	\$ 20,899.3	\$ 19,816.7

Fiduciary Net Position

The Fiduciary Net Position of the System increased in fiscal year 2025 by \$1,567.4 million (7.5%) from the prior year Fiduciary Net Position. Investment returns were strong during the fiscal year, and contributions to the plan increased in part due to increased in contribution rates and higher payroll being reported over the previous fiscal year. Gains were partially offset by an increase in benefits paid, primarily due to the granting of cost of living adjustments to eligible participants during the year.

Comparatively, Fiduciary Net Position of the System increased in fiscal year 2024 by \$1,082.6 million (5.5%) from the prior year Fiduciary Net Position. This was due, in part, to investment income of \$1,525.8 million combined with benefit payments that exceeded contributions in the amount of \$379.3 million. Investment income in fiscal year 2023 was \$1,175 million as compared to investment income of \$1,082.6 million in fiscal year 2024.

Assets

Investments at Fair Value increased by \$1,534.5 million (7.4%) in fiscal year 2025. This increase in Investments at Fair Value due to strong investment returns during the year combined with a decrease in cash and receivables of \$4.9 million contributed to an increase in total assets of \$1,546.4 million during the fiscal year.

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
(A Component Unit of the State of Maine)

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED, CONTINUED)

June 30, 2025

Comparatively, Investments at Fair Value increased by \$1,265.4 million (6.5%) in fiscal year 2024. This increase in Investments at Fair Value combined with an decrease in cash and receivables of \$146.9 million contributed to an increase in total assets of \$1,115.4 million during the fiscal year 2024. The System records the collateral on loaned securities due to its securities lending activity as an asset and corresponding liability. The decrease of \$41 million in collateral on loaned securities arose due to changes in the amount and type of securities on loan. Non-cash collateral is not recorded in total assets on the System's financial statements.

There were \$98.2 thousand in pending sales at June 30, 2025. There were \$26.5 thousand in pending sales at June 30, 2024 and there were \$233.7 thousand in pending sales at June 30, 2023.

Liabilities

On June 30, 2025, total loans outstanding in the securities lending program were \$18.5 million. On June 30, 2024 and 2023, the total loans outstanding in the securities lending program were \$3.4 million and \$6.9 million, respectively.

Additions to Fiduciary Net Position

Additions to Fiduciary Net Position during fiscal year 2025 totaled \$2,944.5 million compared to additions of \$2,418.1 million to Fiduciary Net Position in fiscal year 2024. Contributions from all sources increased by \$70.3 million. Investment income, net of fees and other deductions, increased by \$456.1 million. The increase in investment income in fiscal year 2025 is due to higher returns across the majority of the Fund's asset classes relative to 2024.

Additions to Fiduciary Net Position during fiscal year 2024 totaled \$2,418.1 million compared to additions of \$2,166.3 million to Fiduciary Net Position in fiscal year 2023. Contributions from all sources increased by \$98.2 million. Investment income, net of fees and other deductions, increased by \$350.8 million. The increase in investment income in fiscal year 2024 is due to higher returns across public market asset classes.

The State's contributions on behalf of State employees totaled \$212.4 million, \$200.1 million, and \$190.3 million for fiscal years 2025, 2024, and 2023, respectively. The State's contributions on behalf of teachers totaled \$220.8 million, \$297 million, and \$261.4 million, for fiscal years 2025, 2024, and 2023, respectively. The State's contribution on behalf of judges totaled \$426 thousand, \$456 thousand, and \$620 thousand for fiscal years 2025, 2024, and 2023, respectively. The State's contributions on behalf of legislative employees totaled \$0, \$15 thousand and \$5.5 thousand for fiscal years 2025, 2024 and 2023.

The balance of employer contributions reported is from local school district employers and Participating Local District (PLD) employers. Local school district employers pay the normal cost contribution on behalf of public school teachers. The normal cost rate for the Teacher Plan as a percentage of earnable compensation for fiscal year 2025 was 4.47%. For fiscal years 2024 and 2023 the normal cost rate was 4.47% and 3.84% respectively. The range of employer contributions in the PLD Consolidated Plan as a percent of earnable compensation in fiscal year 2025 was 5.1% to 14.0%; for fiscal year 2024 the range was 5.3% to 14.8%; and for fiscal year 2023 the range was 5.6% to 14.7%.

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
(A Component Unit of the State of Maine)

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED, CONTINUED)

June 30, 2025

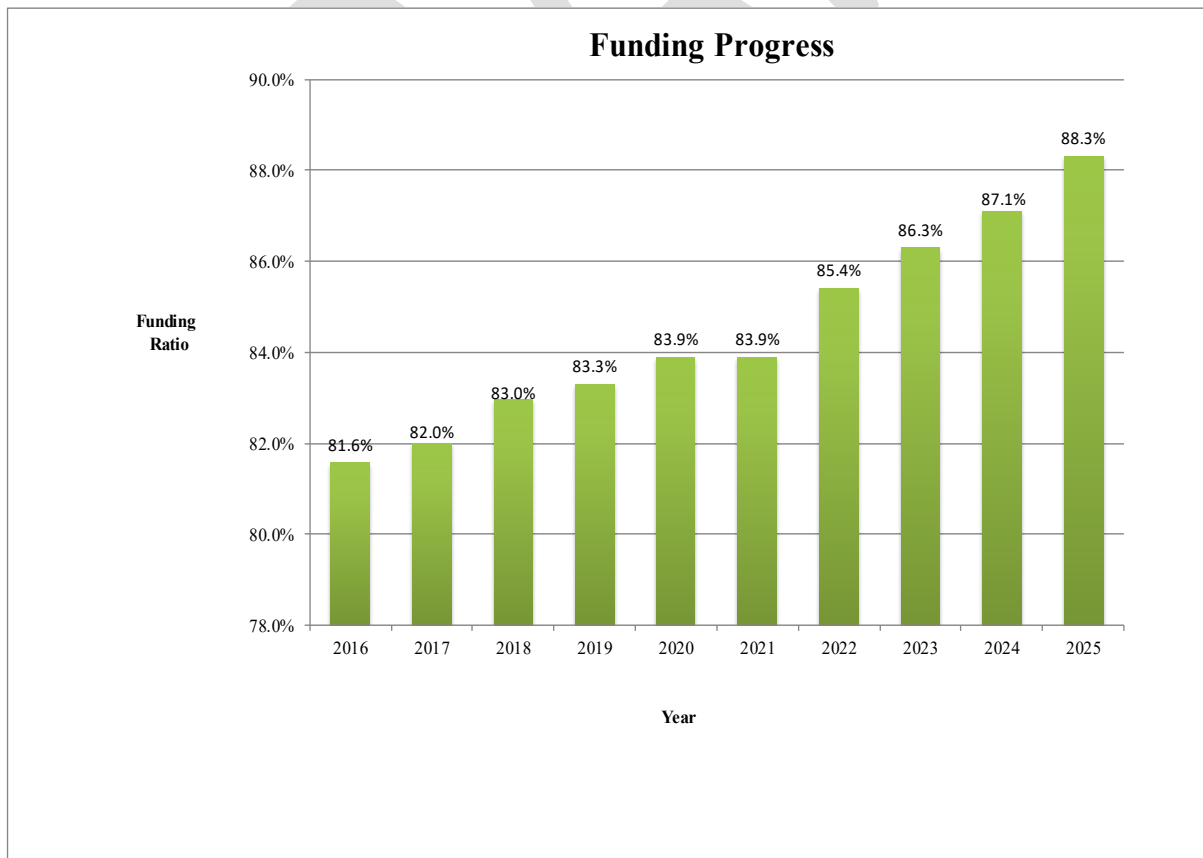
Member and employer data, contribution and benefit data for the 5 non-consolidated PLDs are specific to each PLD and are obtainable from the System.

Deductions from Fiduciary Net Position

Total deductions from Fiduciary Net Position restricted for benefits during fiscal year 2025 increased by \$41.6 million (3.3%). There was an increase in the number of recipients receiving benefits, as well as the increased cost of benefits paid in 2025 combined with an increase in refunds and withdrawals of contributions and other deductions. Benefit payments in fiscal year 2025 exceeded contributions by \$350.4 million. Contributions totaled \$962.3 million, and benefit payments totaled \$1,312.7 million.

Comparatively, deductions from Fiduciary Net Position restricted for benefits during fiscal year 2024 increased by \$74.3 million (6.2%). There was an increase in the number of recipients receiving benefits, as well as the increased cost of benefits paid in 2024 combined with an increase in refunds and withdrawals of contributions and other deductions. Benefit payments in fiscal year 2024 exceeded contributions by \$379.3 million. Contributions totaled \$892 million, and benefit payments totaled \$1,271.3 million.

System Funding Status – Aggregate



MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
(A Component Unit of the State of Maine)

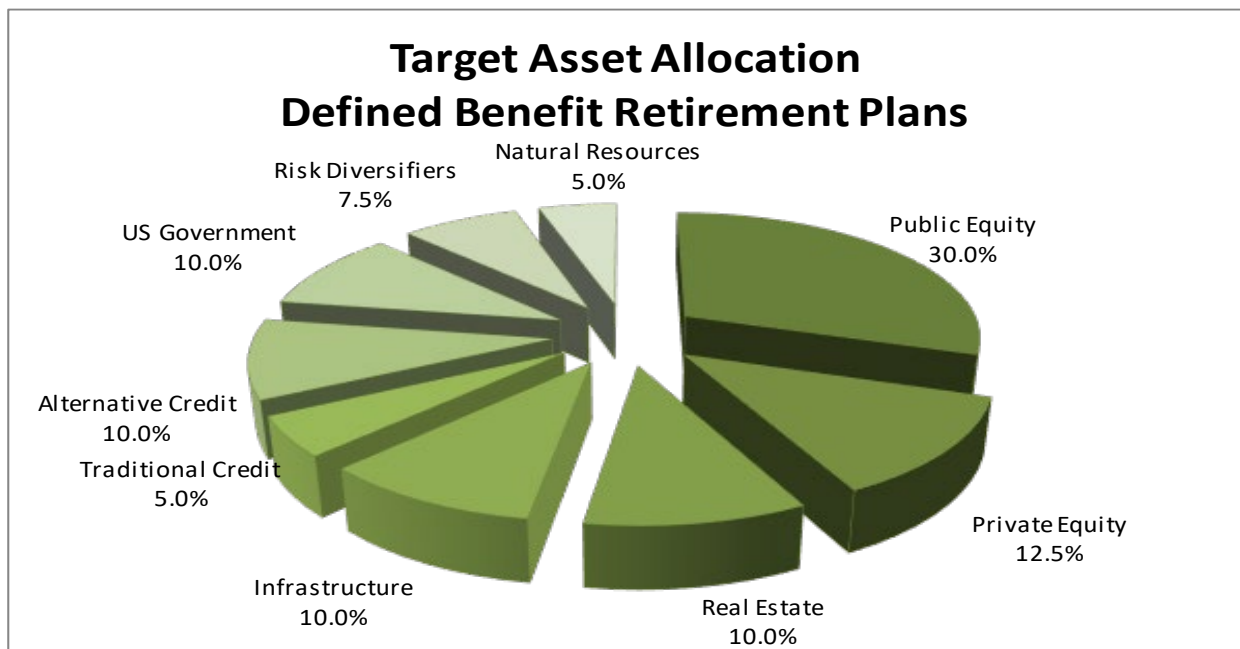
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED, CONTINUED)

June 30, 2025

At June 30, 2025, the State Employee and Teacher, Judicial, Legislative and PLD defined benefit plans were actuarially funded at 88.3%, up from 87.1% at June 30, 2024. As illustrated in the chart, the actuarial funded ratio of the System was 81.6% at June 30, 2016. The decrease in funding level in 2016 is attributable, in large part, to low investment returns due to the low return environment, combined with an increase in the overall liabilities of the plans resulting from changes in assumptions adopted following the completion of an experience study in 2016. The modest increases from 2017 through 2021 are attributable, in large part, to investment returns during those years. While investment returns were slightly negative in 2022, the actuarial funding ratio increased due to asset smoothing, which recognizes a portion of the current year losses as well as a portion of prior year gains into the actuarial value of assets. Positive investment returns in 2023, 2024 and 2025 contributed to an increase in the funding level in those years.

Investments

The assets of all the defined benefit retirement plans that the System administers are commingled for investment purposes.



The System's investment portfolio for the defined benefit retirement plans is invested across nine asset classes: public equity, private equity, traditional credit, alternative credit, real estate, infrastructure, natural resources, U.S. Government, and risk diversifiers. Publicly traded derivative securities are used in some portfolios to obtain exposures to one or more of the asset classes in a cost effective manner. The investment policy established by the Board in 2012 and as amended in May 2022 assigned strategic target allocations for these asset classes, as shown in the above chart.

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

(A Component Unit of the State of Maine)

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED, CONTINUED)

June 30, 2025

Assets of the Group Life Insurance Plans and the Retiree Health Insurance Trusts are invested separately from the assets of the defined benefit retirement plans. The target allocations for these assets are public equity (70%), real estate (5%), traditional credit (16%), and U.S. Government (9%).

All of the assets invested by the System are in portfolios managed by professional investment management firms. These managers act as fiduciaries and invest the assets assigned to them in accordance with the Board's investment policy and their separate contractual arrangements. At June 30, 2025, total fair value of assets in these portfolios (together with the amounts otherwise managed) was \$22.4 billion. The total fair value of assets as of June 30, 2024 and June 30, 2023, respectively, was \$20.9 billion and \$19.6 billion.

The investment return for the defined benefit plan assets, net of all fees, for the year ended June 30, 2025 was 9.4%. The investment return for the years ended June 30, 2024 and June 30, 2023, respectively, was 8.0% and 4.7%. Investment returns in fiscal year 2025 were higher than in fiscal year 2024, due to generally higher returns across public market asset classes. Over the five, ten and thirty year periods ended June 30, 2025, the average annual investment return for the total fund was 10.1%, 8.2%, and 7.6%, respectively.

System Membership – Aggregate

The following membership counts for all of the defined benefit plans are derived from actuarial valuation data:

	<u>2025</u>	<u>2024</u>	<u>% Change</u>
Current active participants:			
Vested and nonvested	55,890	54,730	2.1%
Terminated participants			
Vested	12,591	12,497	0.8%
Inactives Due Refunds	50,136	49,139	2.0%
Retirees and beneficiaries receiving benefits	<u>51,515</u>	<u>50,757</u>	<u>1.5%</u>
Total Membership	<u>170,132</u>	<u>167,123</u>	<u>1.8%</u>

The number of active State employees at June 30, 2025 in the State Employee and Teacher plan was 13,338, an increase of 434 from June 30, 2024. The number of active Teachers at June 30, 2025 was 28,240, an increase of 212 from June 30, 2024. Membership for judges increased by 2 to 64. Membership for Legislators was 182 at June 30, 2025, an increase of 7 from the previous year. Total active membership in the PLD Consolidated Plan at June 30, 2025 was 14,066, an increase of 505 from June 30, 2024. There are no active members in the 4 remaining non-consolidated plans.

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
(A Component Unit of the State of Maine)

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED, CONTINUED)

June 30, 2025

Group Life Insurance Plan

The Group Life Insurance Plans provide life insurance coverage for eligible members of the defined benefit plans administered by the System. Eligible members include State employees, including judges and legislators, teachers and those PLD employees whose employers have elected to participate in the program, and whose positions are eligible for coverage. Eligible employees who elect coverage receive life insurance coverage while actively employed and may carry coverage into retirement. The following summarized data, stated in millions, is derived from actuarial valuation data for the Group Life Insurance Plan with respect to benefits in retirement:

	<u>2025</u>	<u>2024</u>	<u>% Change</u>
Total OPEB Liability	\$292.8	\$283.2	3.4%
Plan Net Position	214.3	187.8	14.1%
Net OPEB Liability	<u>\$78.5</u>	<u>\$95.4</u>	<u>-17.7%</u>

Defined Contribution Plans

The Section 401(a), Section 457 and Section 403(b) Plans administered by the Board are defined contribution plans. These plans are provided as supplemental plans to the basic retirement benefits of employees of PLDs that elect to participate in the Defined Contribution Plans. Contributions may be made to the Plans subject to plan and Internal Revenue Code limitations. Investments in the Defined Contribution Plans are individually directed and controlled by plan participants.

Retiree Health Insurance Trust Fund (State)

The Maine State Legislature established the Retiree Health Insurance Post Employment Investment Trust (Investment Trust Fund) as an irrevocable trust for the sole purpose of holding and investing funds appropriated or otherwise provided to the Investment Trust Fund for the purpose of accumulating assets to provide funding to the State's unfunded liability obligations for retiree health benefits for retired employees of the State. The Trustees of the System were named Trustees of the Investment Trust Fund. At June 30, 2025, the Fiduciary Net Position Held in Trust for the Investment Trust Fund was \$600.5 million.

Retiree Health Insurance Trust Fund (Teacher)

The Maine State Legislature established the Retiree Health Insurance Post Employment Investment Trust (Investment Trust Fund) as an irrevocable trust for the sole purpose of holding and investing funds appropriated or otherwise provided to the Investment Trust Fund for the purpose of accumulating assets to provide funding to the State's unfunded liability obligations for retiree health benefits for retired teachers. The Trustees of the System were named Trustees of the Investment Trust Fund. At June 30, 2025, the Fiduciary Net Position Held in Trust for the Investment Trust Fund was \$130.4 million.

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
(A Component Unit of the State of Maine)

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED, CONCLUDED)

June 30, 2025

Requests for Information

Questions concerning this Management's Discussion and Analysis, other parts of the System's financial statements or the System's financial activities should be directed to Maine Public Employees Retirement System, Sherry Tripp Vandrell, Chief Financial Officer, at PO Box 349, Augusta, Maine 04332 or at (207) 512-3100 or toll-free at (800) 451-9800.

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MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
(A Component Unit of the State of Maine)

STATEMENT OF FIDUCIARY NET POSITION

June 30, 2025
With Summarized Information as of June 30, 2024

	State Employee/Teacher Plan	Judicial Plan	Legislative Plan	PLD Consolidated Plan	PLD Agent Plan	Group Life Insurance	Group Life Insurance Retired SETP	Group Life Insurance Retired PLD	Defined Contribution	MainePERS OPEB Trust	Retiree Health Insurance Trust State	Retiree Health Insurance Trust Teachers	2025 Total	2024
Assets														
Cash and cash equivalents (note 3)	\$ 39,762,442	\$ 357,117	\$ 71,710	\$ 3,914,840	\$ 26,632	\$ 1,978,028	\$ 3,046,044	\$ 940,946	\$ 109,713	\$ -	\$ -	\$ -	\$ 50,207,473	\$ 16,410,951
Investments at fair value (note 3):														
<i>Debt securities:</i>														
U.S. Government and government agencies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
U.S. and foreign corporate	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign government and government agencies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Common equity securities	3,016,263,773	16,569,182	3,332,235	786,074,366	1,235,556	-	-	-	-	-	-	-	3,823,475,112	3,245,601,917
Preferred equity securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Common/collective trusts	5,335,245,227	29,307,997	5,894,143	1,390,428,631	2,185,483	10,598,344	190,909,417	27,142,986	81,895,962	21,056,301	598,549,762	130,418,505	7,823,632,758	7,071,195,439
Mutual Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Partnerships	8,472,154,621	46,539,920	9,359,662	2,207,944,687	3,470,460	-	-	-	-	-	-	-	10,739,469,350	10,535,372,298
Total investments	16,823,663,621	92,417,099	18,586,040	4,384,447,684	6,891,499	10,598,344	190,909,417	27,142,986	81,895,962	21,056,301	598,549,762	130,418,505	22,386,577,220	20,852,169,654
Receivables:														
Contributions and premiums (notes 6 and 7)	25,230,031	-	-	13,023,037	-	75,365	-	40,887	-	-	2,000,000	-	40,369,320	55,371,124
Accrued interest and dividends	4,575,538	25,135	5,055	1,192,440	1,874	-	-	-	-	-	-	-	5,800,042	3,027,391
Due from brokers for securities sold	77,496	426	86	20,196	32	-	-	-	-	-	-	-	98,236	26,506,500
Total receivables	29,883,065	25,561	5,141	14,235,673	1,906	75,365	-	40,887	-	-	2,000,000	-	46,267,598	84,905,015
Collateral on loaned securities (note 5)	14,621,775	80,322	16,153	3,810,609	5,990	-	-	-	-	-	-	-	18,534,849	3,377,213
Capital assets, net of accumulated depreciation	11,393,951	62,590	12,588	2,969,400	4,667	-	-	-	-	-	-	-	14,443,196	12,690,765
Total assets	16,919,324,854	92,942,689	18,691,632	4,409,378,206	6,930,694	12,651,737	193,955,461	28,124,819	82,005,675	21,056,301	600,549,762	130,418,505	22,516,030,336	20,969,553,598
Liabilities														
Accounts payable	2,880,782	15,825	3,183	750,766	1,180	481	8,659	1,231	-	-	-	-	3,662,107	3,140,785
Due to brokers for securities purchased	5,868	32	6	1,529	2	-	-	-	-	-	-	-	7,437	38,757,419
Securities sold not yet purchased	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Obligations to settle investment contracts (Note 4)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	12,679,827	69,654	14,008	3,304,515	5,194	2,236,671	6,347,474	1,451,221	98,121	559,267	3,550	350	26,769,852	24,551,235
Accrued investment management fees	225,162	1,237	249	58,680	92	256	4,607	655	-	508	14,445	3,147	309,038	417,979
Amounts held for Retiree Health Insurance Investment Trust (note 9)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Obligations under securities lending activities (note 5)	14,621,775	80,322	16,153	3,810,609	5,990	-	-	-	-	-	-	-	18,534,849	3,377,213
Total liabilities	30,413,414	167,070	33,599	7,926,099	12,458	2,237,408	6,360,740	1,453,107	98,121	559,775	17,995	3,497	49,283,283	70,244,631
Fiduciary net position – restricted for benefits	<u>\$ 16,888,911,440</u>	<u>\$ 92,775,619</u>	<u>\$ 18,658,033</u>	<u>\$ 4,401,452,107</u>	<u>\$ 6,918,236</u>	<u>\$ 10,414,329</u>	<u>\$ 187,594,721</u>	<u>\$ 26,671,712</u>	<u>\$ 81,907,554</u>	<u>\$ 20,496,526</u>	<u>\$ 600,531,767</u>	<u>\$ 130,415,008</u>	<u>\$ 22,466,747,053</u>	<u>\$ 20,899,308,967</u>

The accompanying notes are an integral part of these financial statements.

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
(A Component Unit of the State of Maine)

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

Year Ended June 30, 2025
With Summarized Information for the Year Ended June 30, 2024

	State Employee/Teacher Plan	Judicial Plan	Legislative Plan	PLD Consolidated Plan	PLD Agent Plan	Group Life Insurance	Group Life Insurance Retired SETP	Group Life Insurance Retired PLD	Defined Contribution	MainePERS OPEB Trust	Retiree Health Insurance Trust State	Health Insurance Trust Teachers	2025 Total	2024 Summarized
Additions (subtractions):														
Investment income:														
From investing activities:														
Net appreciation in the fair value of plan investments	\$ 1,518,174,617	\$ 8,457,170	\$ 1,670,142	\$ 392,850,501	\$ 650,143	\$ 1,330,245	\$ 22,123,329	\$ 3,135,516	\$ 9,348,228	\$ 2,444,108	\$ 67,563,256	\$ 15,137,674	\$ 2,042,884,930	\$ 1,596,333,747
Interest	15,428,258	84,817	17,028	4,018,790	6,339	1,279	20,362	2,885	-	-	-	-	19,579,758	16,408,547
Dividends	44,889,853	246,593	49,592	11,698,832	18,387	-	-	-	-	-	4,183	-	56,907,440	50,768,691
Less: Investment expenses	(106,745,940)	(593,067)	(117,499)	(27,681,925)	(45,109)	(4,229)	(66,945)	(9,484)	(60,125)	(7,363)	(56,331)	(12,562)	(135,400,579)	(137,920,960)
Net income from investing activities	1,471,746,788	8,195,513	1,619,263	380,886,198	629,760	1,327,295	22,076,746	3,128,917	9,288,103	2,436,746	67,511,108	15,125,112	1,983,971,550	1,525,590,025
From securities lending activities:														
Securities lending income	200,365	1,101	221	52,217	82	-	-	-	-	-	-	-	253,986	367,465
Borrower rebates refunded	(1,766,528)	(9,704)	(1,952)	(460,378)	(724)	-	-	-	-	-	-	-	(2,239,286)	(87,587)
Management fees	(30,030)	(165)	(33)	(7,826)	(12)	-	-	-	-	-	-	-	(38,066)	(55,073)
Total securities lending activities expenses	(1,796,558)	(9,869)	(1,985)	(468,204)	(736)	-	-	-	-	-	-	-	(2,277,352)	(142,660)
Net income from securities lending activities	(1,596,193)	(8,768)	(1,764)	(415,987)	(654)	-	-	-	-	-	-	-	(2,023,366)	224,805
Total investment income	1,470,150,595	8,186,745	1,617,499	380,470,211	629,106	1,327,295	22,076,746	3,128,917	9,288,103	2,436,746	67,511,108	15,125,112	1,981,948,184	1,525,814,830
Contributions and premiums (notes 6 and 7):														
Members	192,912,416	784,044	348,339	77,555,995	-	5,551,808	-	-	6,949,394	-	-	-	284,101,996	263,739,743
Employers	294,204,473	425,640	-	107,992,691	111,624	1,979,423	7,917,825	1,664,074	985,004	11,556	37,070,743	-	452,363,053	408,486,230
Non-employer contributing entities (note 1)	220,827,975	-	-	-	-	-	4,992,883	-	-	-	-	-	225,820,858	219,776,988
Transfers from other plans	-	-	-	-	-	-	-	-	285,300	-	-	-	285,300	334,347
Total contributions and premiums	707,944,864	1,209,684	348,339	185,548,686	111,624	7,531,231	12,910,708	1,664,074	8,219,698	11,556	37,070,743	-	962,571,207	892,337,308
Total additions	2,178,095,459	9,396,429	1,965,838	566,018,897	740,730	8,858,526	34,987,454	4,792,991	17,507,801	2,448,302	104,581,851	15,125,112	2,944,519,391	2,418,152,138
Deductions:														
Benefits paid	1,058,972,835	5,737,181	624,202	227,849,197	731,934	9,388,605	8,186,487	964,549	-	268,042	-	-	1,312,723,032	1,271,297,994
Refunds and withdrawals	24,464,082	369	97,653	10,417,508	-	-	-	-	4,576,899	-	-	-	39,556,511	43,587,890
Transfers to other plans	400	-	-	284,900	-	-	-	-	-	-	-	-	285,300	334,343
Claims processing expenses (note 7)	-	-	-	-	-	258,102	2,627,560	385,653	122,406	-	-	-	3,393,721	1,610,614
Administrative expenses	15,456,602	86,545	17,051	3,990,802	6,768	72,213	1,053,775	149,785	285,300	-	1,950	1,950	21,122,741	18,741,724
Total deductions	1,098,893,919	5,824,095	738,906	242,542,407	738,702	9,718,920	11,867,822	1,499,987	4,984,605	268,042	1,950	1,950	1,377,081,305	1,335,572,565
Net increase (decrease) in fiduciary net position	1,079,201,540	3,572,334	1,226,932	323,476,490	2,028	(860,394)	23,119,632	3,293,004	12,523,196	2,180,260	104,579,901	15,123,162	1,567,438,086	1,082,579,573
Fiduciary net position - restricted for benefits, beginning of year	15,809,709,900	89,203,285	17,431,101	4,077,975,617	6,916,208	11,274,723	164,475,089	23,378,708	69,384,358	18,316,266	495,951,866	115,291,846	20,899,308,967	19,816,729,394
Fiduciary net position - restricted for benefits, end of year	\$ 16,888,911,440	\$ 92,775,619	\$ 18,658,033	\$ 4,401,452,107	\$ 6,918,236	\$ 10,414,329	\$ 187,594,721	\$ 26,671,712	\$ 81,907,554	\$ 20,496,526	\$ 600,531,767	\$ 130,415,008	\$ 22,466,747,053	\$ 20,899,308,967

The accompanying notes are an integral part of these financial statements.

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
(A Component Unit of the State of Maine)

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

With Summarized Information for June 30, 2024

1. Overview of the Maine Public Employees Retirement System Benefit Plans

Background

The Maine Public Employees Retirement System (the System or MainePERS), which is a component unit of the State of Maine, is the administrator of a public employee retirement system established and administered under the Laws of the State of Maine. The System was formerly named the Maine State Retirement System. The System provides pension, disability, and death benefits to its members, which include employees of the State, public school teachers (as defined by Maine law) and employees of 339 local municipalities and other public entities (participating local districts, or PLDs) in Maine, each of which contracts for participation in the System under provisions of the relevant statutes.

Individual PLDs are permitted by law to withdraw from participation in the System. Withdrawal precludes the PLD's nonmember employees, if any, and its employees hired subsequent to withdrawal from membership in the System. Depending on the circumstances and requirements of the PLD's participation under the System, a withdrawn PLD may have continuing funding obligations after withdrawal with respect to its employees who are active members at the time of withdrawal and who continue to be members thereafter, to its terminated vested employee members, and to its former employee members who are retired at the time of withdrawal.

Board of Trustees

The Board is comprised of eight members. State law specifies the composition of the Board, whose members are confirmed by the Legislature. Three trustees are System members, one of whom is proposed and elected by the Maine Education Association, one of whom is proposed and elected by the Maine State Employees Association, and one of whom is an active or retired PLD member appointed by the governing body of the Maine Municipal Association. Four other trustees are appointed by the Governor. Of these, one must be selected by the Governor from a list of nominees submitted by the Maine Retired Teachers Association and one must be a MainePERS retiree selected from a list of nominees submitted by State and/or PLD retirees. The remaining two appointees are direct gubernatorial appointments, both of whom must be qualified through training or experience in investments, accounting, banking or insurance or as actuaries. All appointed trustees are required to have "a working knowledge of retirement policy and legal issues and a general knowledge and understanding of banking, finance, and investment practices." The eighth trustee is the State Treasurer, who serves ex-officio. All trustee terms are three years, except for the two-year term of the State Treasurer. The Board annually elects its chair and vice chair from among its members.

Defined Benefit Plans

Pension funds managed by the System are constitutionally restricted and held in trust for the payment of pension and related benefits. The Board, in its fiduciary capacity, establishes the System's investment policies and oversees their overall implementation. The System administers five defined benefit pension plans consisting of the State Employee and Teacher Plan which includes the Governors' Plan, the Judicial Plan, the Legislative Plan, the PLD Consolidated Plan, and the PLD Agent Plan. The System maintains

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
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June 30, 2025

With Summarized Information for June 30, 2024

1. Overview of the Maine Public Employees Retirement System Benefit Plans (Continued)

separate reserves and accounts and performs separate annual actuarial valuations for each pension plan. Additional information regarding each plan can be found in Note 6 of this report.

Group Life Insurance Plans

The Group Life Insurance Plans (the Plans) were established by the State Legislature to provide group life insurance benefits, during active service as well as in retirement, to State employees, Teachers, members of the Judiciary and the Legislature, as well as Elected and Appointed Officers of the State, that are eligible for membership in the System. Group Life Insurance benefits are also provided to the employees of PLDs that elect to participate in the Plans. Generally, benefit plan provisions can only be amended through statutory change. Employees are eligible for coverage under the Plans, subject to their membership in one or more of the aforementioned eligible employment classes and any other conditions of eligibility that the Board may prescribe by rule or decision.

Group Life Insurance funds managed by the System are held in trust for the payment of benefits to participants and/or their beneficiaries. The Board, in its fiduciary capacity, establishes the System's investment policies and oversees their overall implementation. The System maintains separate reserves and accounts for both active and retiree coverage and biennial actuarial valuations are performed for each plan within the program. In those years where a full actuarial valuation is not completed, a roll-forward of plan liabilities from the previous valuation to the current fiscal year end with expected benefit payments and accruals is conducted. The liabilities for fiscal year ended June 30, 2025 were calculated as part of a roll-forward actuarial valuation.

Defined Contribution Plans

The Section 401(a), Section 457 and Section 403(b) Plans (Defined Contribution Plans), administered by the System's Board of Trustees with funds held in trust, are defined contribution plans. These plans are available as supplemental plans to the basic retirement benefits of employees of PLDs that elect to participate in the Defined Contribution Plans. Contributions may be made to the Defined Contribution Plans by plan participants subject to plan and Internal Revenue Code limitations. At June 30, 2025, participation in the defined contribution plans was as follows:

	<u>401(a) Plan</u>	<u>457 Plan</u>	<u>403(b) Plan</u>
Employers	7	82	1
Participants	105	1,215	614

Investments in the Defined Contribution Plans are individually directed and controlled by plan participants. Benefits for deferred compensation, employer contributions, and earnings on the accounts are not recognized by Plan participants for income tax purposes until actually paid to the participant or beneficiary.

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
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NOTES TO FINANCIAL STATEMENTS

June 30, 2025
With Summarized Information for June 30, 2024

1. Overview of the Maine Public Employees Retirement System Benefit Plans (Concluded)

MainePERS OPEB Trust

The MainePERS Other Post-Employment Benefits (OPEB) Trust is an irrevocable trust established for the purpose of accumulating assets to provide funding for retiree health benefits and life insurance in retirement for qualified individuals who retire from MainePERS. The Trustees of the System were named Trustees of the MainePERS OPEB Trust. Contributions are made to the Trust on an annual basis in the amount equal to the actuarially determined contribution amount.

Retiree Health Insurance Trust Fund

The Maine State Legislature established the Retiree Health Insurance Post Employment Investment Trusts (Investment Trust Funds) as irrevocable trusts formed solely to hold and invest funds appropriated or otherwise provided to the Investment Trust Fund for the purpose of accumulating assets to provide funding to the State's unfunded liability obligations for retiree health benefits. The Trustees of the System were named Trustees of the Investment Trust Funds.

2. Summary of Significant Accounting Policies

Basis of Accounting

The System's financial statements are prepared using the accrual basis of accounting.

Comparative Summarized Information

The financial statements include certain prior-year summarized comparative information in total but not by fund. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. generally accepted accounting principles (U.S. GAAP). Accordingly, such information should be read in conjunction with the System's financial statements for the year ended June 30, 2023, from which the summarized information was derived.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make significant estimates and assumptions. These estimates affect the reported amounts of fiduciary net position at the date of the financial statements, the actuarial information included in the required supplementary information as of the actuarial information date, the changes in fiduciary net position during the reporting period and, when applicable, the disclosure of contingent assets and liabilities at the date of the financial statements, as reported in the notes to the financial statements. Actual results could differ from those estimates.

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
(A Component Unit of the State of Maine)

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

With Summarized Information for June 30, 2024

2. Summary of Significant Accounting Policies (Continued)

Revenue Recognition

Pension contributions and group life insurance premiums, as well as contributions to the Retiree Health Insurance Trust, are recognized as additions in the period when they become due pursuant to formal commitments or statutory or contractual requirements. Contributions to Defined Contribution Plans are recognized in the period they are contributed.

Investment income includes net appreciation or depreciation in the fair value of investments, interest and dividend income, foreign currency transaction gains and losses, and securities lending income, less investment expenses, which include investment management and custodial fees and all other significant investment related costs. Dividends include income returns from partnerships. Investment income is recognized when earned and investment expenses are recorded when incurred.

Benefits Paid and Refunds and Withdrawals

Pension and group life insurance benefits and contributions and premium refunds and withdrawals to the System's members and beneficiaries are recognized as deductions when due and payable in accordance with the terms of the statutes. In addition, an estimate is made for group life insurance death benefits incurred before year end but not reported to the System until after year end. These are reflected as other liabilities. Distributions from Defined Contribution Plans and the Retiree Health Insurance Trust are recognized in the period the disbursement is made.

Investments

Investments are reported at fair value. Debt and equity securities that are traded on recognized exchanges are valued at the last sales price and the current exchange rates on the reporting date. Other regularly traded securities, including derivatives, are valued by the System's custodians through a variety of external sources. Investments that do not have an established market are reported at estimated fair value. The fair value of shares in common/collective trusts is based on unit values reported by the funds. The fair value of other investments, including private market partnerships, is based on third-party appraisals and valuations provided by the sponsor of the partnerships. Management reviews and approves all such appraisals and valuations prepared by other parties. Investment purchases and sales are recorded as of their trade date. Proceeds related to securities sold not yet purchased are carried as a liability and are adjusted to the fair value of the securities.

Assets of the defined benefit pension plans are pooled for investment purposes and are allocated to each plan based on each plan's fiduciary net position, as are investment expenses and administrative expenses. Assets of the Group Life Insurance Plans are pooled for investment purposes and are allocated to each plan based on each plan's fiduciary net position, as are investment expenses and administrative expenses. Other assets managed by the System are invested separately from the assets of the defined benefit pension plans and the Group Life Insurance Plans.

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NOTES TO FINANCIAL STATEMENTS

June 30, 2025
With Summarized Information for June 30, 2024

2. Summary of Significant Accounting Policies (Continued)

Due to/from Brokers

Amounts due to/from brokers for securities purchased or sold consist of trades not yet settled.

Cash and Cash Equivalents

The System considers all highly liquid debt instruments that have a maturity of 90 days or less when purchased to be cash equivalents.

Capital Assets

All capital assets with a unit cost of \$5,000 or greater are capitalized and reported in the accompanying financial statements. Purchased capital assets are valued at cost.

Capital asset costs include the purchase price or construction cost, plus those costs necessary to place the asset in its intended location and condition for use.

Depreciation is calculated using the straight-line method with estimated useful lives of 3 to 40 years.

Administrative Expenses

The cost of administering each of the plans managed by the System is financed primarily by investment income.

Risks and Uncertainties

The System makes investments in accordance with the Board's investment policy in a combination of equities, fixed income securities, infrastructure, private equity, real estate, derivative financial instruments, other investment securities and mutual funds and common/collective trusts holding such investments. The investment policy specifically prohibits investment managers from using derivative financial instruments to introduce leverage without specific prior approval by the Board. Investment securities and securities underlying certain investments are exposed to various risks, such as interest rate risk, market risk, custodial credit risk and credit risk. Investments in the Defined Contribution Plans are individually directed and controlled by plan participants. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, changes in the values of investment securities are likely to occur in the near term and it is at least possible that such changes could materially affect the amounts reported in the statements of fiduciary net position and changes in fiduciary net position.

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
(A Component Unit of the State of Maine)

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

With Summarized Information for June 30, 2024

2. Summary of Significant Accounting Policies (Concluded)

Defined Benefit Contributions

Contributions to the Defined Benefit Plans from employers and non-employer contributing entities are established by an actuarial valuation on the basis of actuarial assumptions related to economic indicators (e.g., interest rates, inflation rates), and member and retiree compensation and demographics. By law, the assumptions are adopted by the Board based on recommendation of the System's actuary. The System is also required by Maine law to perform an actuarial experience study whenever the Board, on recommendation of its actuary, determines such a study to be necessary for actuarial soundness or prudent administration.

New Accounting Pronouncements

The System adopted Governmental Accounting Standards Board (GASB) Statement No. 101, Compensated Absences, and Statement No. 102, Certain Risk Disclosures during the year ended June 30, 2025. GASB Statement No. 101 updates the guidance for recognition and measurement of compensated absences and GASB Statement No. 102 provides additional guidance for disclosing certain risks. Adopting these statements had no material effect on the System's financial reporting.

3. Cash and Cash Equivalents and Investments

The Board is responsible for identifying the System's investment objective and establishing an investment policy to meet that objective. The Board relies on staff and consultants with appropriate expertise to establish investment policy, monitor compliance with that policy, and determine whether the investment objective has been met. The Board established the strategic asset allocation as part of its overall investment policy. The policy identifies the following investment classes and targets for all defined benefit pension plan assets: public equity (30%), private equity (12.5%), traditional credit (5%), alternative credit (10%), real estate (10%), infrastructure (10%), natural resources (5%), U.S. Government (10%), and risk diversifiers (7.5%). For the group life insurance plan assets, the policy identifies four investment classes and targets: public equity (70%), real estate (5%), traditional credit (16%), and U.S. Government (9%).

Custodial credit risk is the risk that in the event of a financial institution failure, the System's deposits may not be returned to it. The System has no formal policy for custodial credit risk. Cash and cash-like securities are held at two institutions: Bangor Savings Bank and JP Morgan. Cash balances at Bangor Savings Bank are insured by the Federal Deposit Insurance Corporation up to \$250,000. Bangor Savings Bank mitigates custodial credit risk through use of securities repurchase arrangements.

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June 30, 2025
With Summarized Information for June 30, 2024

3. Cash and Cash Equivalents and Investments (Continued)

Cash equivalents at JP Morgan are invested in the JP Morgan Prime Money Market Fund. The JP Morgan Prime Money Market fund is composed of short term debt securities held in a collective fund for the benefit of the System and other investors. All securities purchased in the JP Morgan Prime Money Market must either be payable on demand or have a maturity not exceeding eighteen months from the time of purchase.

The System's cash equivalents and investments are not exposed to custodial credit risk (a) because the underlying investments are registered in the name of the System and held by the System's custodian, or (b) because their existence is not evidenced by securities that exist in physical or book entry form.

These amounts are disclosed in the financial statements at June 30 as follows:

	<u>2025</u>	<u>2024</u>
Cash and Cash Equivalents	\$ 50,207,473	\$ 16,410,951
Investments	<u>22,386,577,220</u>	<u>20,852,169,654</u>
Total Fair Value	<u>\$ 22,436,784,693</u>	<u>\$ 20,868,580,605</u>

Credit risk is the risk an issuer or other counterparty to an investment will not fulfill its obligations to the System. The System has no formal policy on credit risk. The following table summarizes the System's aggregate fixed income portfolio credit ratings at June 30:

<u>Quality Rating</u> ⁽¹⁾	<u>2025</u>	<u>2024</u>
AAA	\$ 151,358,398	\$ 185,565,292
AA	1,529,906,940	1,414,202,855
A	628,392,590	584,321,385
BBB	<u>637,581,043</u>	<u>606,924,075</u>
Total Credit Risk Debt	<u>\$ 2,947,238,971</u> ⁽²⁾	<u>\$ 2,791,013,607</u> ⁽²⁾

⁽¹⁾ Quality ratings are reported using S&P's rating categories and are based on bond ratings assigned by S&P, Moody's, and Fitch. The median rating is used when 3 ratings are available, and the lower or only rating is used in cases where only 2 or a single rating is available.

⁽²⁾ Includes direct investments in debt securities held by the System as well as debt securities underlying investments in common/collective trusts. In 2025 and 2024, all amounts are from common/collective trusts.

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NOTES TO FINANCIAL STATEMENTS

June 30, 2025
With Summarized Information for June 30, 2024

3. Cash and Cash Equivalents and Investments (Continued)

Concentration of credit risk is the risk of loss that may be attributed to the magnitude of investment in a single issue. The System's investment policy places no limit on the amount the System may invest in any one issuer.

There were no individual investments that constitute 5% or more of fiduciary net position for the defined benefit pension plans administered by the System as of June 30, 2025.

There were no individual investments that constitute 5% or more of fiduciary net position for the other post-employment benefit plans administered by the System as of June 30, 2025.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The System has no formal investment policy related to managing interest rate risk. All of the System's fixed income portfolios are managed in accordance with contractual guidelines. Contractual guidelines generally specify a range of effective duration for the portfolio. Duration is widely used in the management of fixed income portfolios as a measure of a debt investment's exposure to fair value changes arising from changing interest rates. The System's interest rate risk is closely aligned with the Barclays Capital Aggregate Index. The following table details the System's interest rate risk for its debt investments at June 30, 2025 and 2024, using the segmented time distribution method. Maturities are based on the weighted average maturities of underlying investments in the common/collective trusts.

Investment Type Common/	Fair Value	Maturities as of June 30, 2025			
		Less than 1 Year	1 to 6 Years	6 to 10 Years	10+ Years
Collective Trusts	\$ 2,967,671,162	\$ 23,632,698	\$ 1,170,063,166	\$ 1,302,528,162	\$ 471,447,136
Total	\$ 2,967,671,162	\$ 23,632,698	\$ 1,170,063,166	\$ 1,302,528,162	\$ 471,447,136

Investment Type Common/	Fair Value	Maturities as of June 30, 2024			
		Less than 1 Year	1 to 6 Years	6 to 10 Years	10+ Years
Collective Trusts	\$ 2,791,013,607	\$ 25,269,439	\$ 943,843,216	\$ 1,340,002,002	\$ 481,898,950
Total	\$ 2,791,013,607	\$ 25,269,439	\$ 943,843,216	\$ 1,340,002,002	\$ 481,898,950

Foreign currency risk is the risk that changes in exchange rates will adversely impact the recorded fair value of an investment. The System does not have a formal investment policy limiting the amount of foreign currency exposure of its investments. The System's currency exposures reside primarily in the System's international equity investments. The System may hedge a portfolio's foreign currency exposure with currency forward contracts depending on their views of the currency relative to the dollar.

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3. Cash and Cash Equivalents and Investments (Continued)

All of the System's portfolios are managed in accordance with contractual guidelines. The System has nearly eliminated all direct exposure to foreign currency by using index funds which means the System owns units of U.S. dollar denominated commingled funds rather than conducting transactions directly in foreign currency. The System is still indirectly exposed to all the foreign currencies within the index.

The System's direct and indirect exposure to foreign currency risk in U.S. dollars as of June 30, 2025 is highlighted in the following table:

<u>Currency</u>	<u>Total</u>	<u>Currency</u>	<u>Total</u>
Australian Dollar	\$ 90,355,074	Peruvian Sol	1,273,166
Bermudian Dollar	460,241	Philippine Peso	2,905,709
Brazilian Real	27,209,031	Polish Zloty	6,444,191
British Pound Sterling	192,163,042	Qatari Rial	4,679,895
Canadian Dollar	171,476,288	Russian Ruble	887
Chilean Peso	2,911,609	Saudi Arabian Riyal	22,044,307
Chinese Yuan Renminbi	144,202,813	Singapore Dollar	25,554,647
Colombian Peso	744,419	South African Rand	18,039,322
Czech Koruna	1,019,656	Swedish Krona	39,909,551
Danish Krone	30,886,934	Swiss Franc	127,719,596
Egyptian Pound	394,780	Taiwan Dollar	118,201,089
Euro	490,041,180	Thai Baht	6,193,756
Hong Kong Dollar	50,838,262	Turkish Lira	3,299,059
Hungarian Forint	1,857,773	United Arab Emirates Dirham	9,897,122
Indian Rupee	120,521,780	Total	<u>\$ 2,127,457,682</u>
Indonesian Rupiah	7,382,505		
Japanese Yen	290,431,631		
Korean Won	67,574,147		
Kuwaiti Dinar	4,810,835		
Macanese Pataca	375,777		
Malaysian Ringgit	7,864,975		
Mexican Peso	12,393,627		
New Israeli Sheqel	13,247,474		
New Zealand Dollar	3,510,076		
Norwegian Krone	8,621,460		

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
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June 30, 2025

With Summarized Information for June 30, 2024

3. Cash and Cash Equivalents and Investments (Continued)

The System has entered into contracts to invest in partnerships with a focus on private equity, infrastructure, real estate and other investment strategies. As of June 30, 2025, the value of these investments is approximately \$10.5 billion and the remaining funding commitment is approximately \$2.9 billion.

For the year ended June 30, 2025, the annual money-weighted rate of return on all defined benefit plan investments, net of investment expenses, was 9.3%. For the year ended June 30, 2025 the annual money-weighted rate of return on all OPEB plan investments, net of investment expense, was 13.1%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested, based on monthly calculations.

The System categorizes its fair value measurements within the fair value hierarchy established by U.S. GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are other significant observable inputs. Valuation inputs used to value the System's Level 2 holdings include, but are not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market-corroborated inputs. Level 3 inputs are unobservable inputs. The System has the following recurring fair value measurements at June 30:

	<u>June 30, 2025</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments by fair value level				
Common Equity	\$ 3,823,475,112	\$ 3,823,475,112	\$ -	\$ -
Common/Collective Trusts	7,708,544,042	-	7,708,544,042	-
Collateral from loaned securities	18,534,849	-	18,534,849	-
Total investments by fair value level	<u>11,550,554,003</u>	<u>\$ 3,823,475,112</u>	<u>\$ 7,727,078,891</u>	<u>\$ -</u>
Investments measured at net asset value (NAV)				
Alternative Credit	1,596,504,013			
Infrastructure	2,382,835,501			
Natural Resources	1,019,650,941			
Private Equity	3,726,983,989			
Real Estate	1,998,165,116			
Total investments measured at NAV	<u>10,724,139,560</u>			
Total investments measured at fair value	<u>\$ 22,274,693,563</u>			

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June 30, 2025
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3. Cash and Cash Equivalents and Investments (Continued)

		Fair Value Measurements Using		
	June 30, 2024	Level 1	Level 2	Level 3
Investments by fair value level				
Common Equity	\$ 3,245,601,917	\$ 3,245,601,917	\$ -	\$ -
Common/Collective Trusts	7,071,195,439	-	7,071,195,439	-
Collateral from loaned securities	3,377,213	-	3,377,213	-
Total investments by fair value level	<u>10,320,174,569</u>	<u>\$ 3,245,601,917</u>	<u>\$ 7,074,572,652</u>	<u>\$ -</u>
Investments measured at net asset value (NAV)				
Alternative Credit	1,480,772,751			
Infrastructure	2,424,230,604			
Natural Resources	1,013,974,596			
Private Equity	3,665,907,365			
Real Estate	1,950,486,982			
Total investments measured at NAV	<u>10,535,372,298</u>			
Total investments measured at fair value	<u>\$ 20,855,546,867</u>			

Common Equity

Common equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets.

Common/Collective Trusts

Units of collective investment funds, including short-term investment funds, are valued based on quoted prices for similar assets, exchange rates, interest rates, credit risks and default rates. A unit value is determined for each fund on the valuation date. Valuation of each fund is determined each day the Fund is open for contributions and redemptions and, for financial reporting purposes, on the report date should the reporting period end on a date the Fund is not open. Unit values are determined by dividing each Fund's investments at fair value by the number of units outstanding on the valuation date.

Investments Measured at NAV

Alternative investments are generally reported at the NAV obtained from statements provided by the investment managers and assessed by the System as reasonable.

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3. Cash and Cash Equivalents and Investments (Continued)

NAVs determined by investment managers generally consider variables including operating results, projected cash flows, recent sales prices and other pertinent information, and may reflect discounts for the illiquid nature of certain investments held. Due to the inherent uncertainties in valuation, the estimated fair values in NAV calculations may differ significantly from values that would have been used had a ready market existed.

The fair value and unfunded commitments for investments measured at NAV per share (or its equivalent) are presented in the following tables:

June 30, 2025

Investments Measured at NAV	<u>Fair Value</u>	<u>Unfunded Commitments</u>
Alternative Credit ⁽¹⁾	\$ 1,596,504,013	\$ 769,950,702
Infrastructure ⁽²⁾	2,382,835,501	475,771,872
Natural Resources ⁽³⁾	1,019,650,940	218,622,043
Private Equity ⁽⁴⁾	3,726,983,989	1,196,945,903
Real Estate ⁽⁵⁾	1,998,165,116	299,183,496
Total investments measured at NAV	\$ 10,724,139,559	\$ 2,960,474,016

June 30, 2024

Investments Measured at NAV	<u>Fair Value</u>	<u>Unfunded Commitments</u>
Alternative Credit ⁽¹⁾	\$ 1,480,772,751	\$ 769,950,702
Infrastructure ⁽²⁾	2,424,230,604	475,771,872
Natural Resources ⁽³⁾	1,013,974,596	218,622,043
Private Equity ⁽⁴⁾	3,665,907,365	1,196,945,903
Real Estate ⁽⁵⁾	1,950,486,982	299,183,496
Total investments measured at NAV	\$ 10,535,372,298	\$ 2,960,474,016

(1) Alternative Credit funds are funds that invest primarily in debt instruments issued by non-investment grade and unrated entities. Alternative credit investments are expected to pay or accrue periodic interest and to return principal at maturity. The fair values in this type have been determined using the NAV per share (or its equivalent) of the System's ownership interest in partners' capital. Alternative

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3. Cash and Cash Equivalents and Investments (Concluded)

Credit funds are typically structured as partnerships with fixed lifetimes. These funds are generally not available for redemption, and distributions are received as underlying investments within the funds are liquidated, which on average can occur over a span of 7 or more years.

- (2) Infrastructure funds are funds that invest primarily in infrastructure assets such as roads, ports, pipelines, and airports, primarily in the U.S. and Europe. The fair values in this type have been determined using the NAV per share (or its equivalent) of the System's ownership interest in partners' capital. These funds are generally not available for redemption, and distributions are received as underlying investments within the funds are liquidated, which on average can occur over a span of 10 or more years.
- (3) Natural Resources funds are funds that invest primarily in assets and businesses related to natural resources such as farming, timber, and mining. The fair values in this type have been determined using the NAV per share (or its equivalent) of the System's ownership interest in partners' capital. These funds are generally not available for redemption, and distributions are received as underlying investments within the funds are liquidated, which on average can occur over a span of 10 or more years.
- (4) Private Equity funds are funds that invest primarily in debt and equity securities of private businesses. The fair values in this type have been determined using the NAV per share (or its equivalent) of the System's ownership interest in partners' capital. These funds are generally not available for redemption, and distributions are received as underlying investments within the funds are liquidated, which on average can occur over a span of 10 or more years.
- (5) Real Estate funds are funds that invest primarily in commercial real estate and real estate debt. The fair values in this type have been determined using the NAV per share (or its equivalent) of the System's ownership interest in partners' capital. The majority of these investments (85% of dollar value) are available for redemption, subject to the timing of asset disposition. The remaining funds are generally not available for redemption, and distributions are received as underlying investments within the funds are liquidated, which on average can occur over a span of 10 or more years.

4. Derivative Securities

Derivative financial instruments are financial contracts whose value depends on the value of one or more underlying assets, reference rates or financial indices. They include futures, forwards, options, and swap contracts. In addition, some traditional securities can have derivative-like characteristics, e.g., asset-backed securities, including collateralized mortgage obligations, which are sensitive to changes in interest rates and to prepayments.

The System may be a party, both directly and indirectly, to various derivative financial investments that are used in the normal course of investing to enhance expected returns on investments, to manage the risk of exposure to changes in value of investments due to fluctuations in market conditions, and to gain

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4. Derivative Securities (Concluded)

passive exposure to markets. In addition to normal market risks these investments may involve, to varying degrees, elements of interest rate risk, credit risk, leverage risk, counterparty risk, and custodial credit risk.

Leverage risk may be created with derivatives. Financial leverage generally involves borrowing and then reinvesting the proceeds with the hope of earning a higher rate of return than the borrowing costs. With derivative instruments economic leverage may be effectively created without any explicit borrowing. Leveraged investments may be more volatile than if an investment had not been leveraged. Leveraging tends to exaggerate the effect of any increase or decrease in the value of an underlying investment. In a leveraged transaction an amount more than the initial investment may be lost. The System's investment policy requires specific approval from the Board of any investment strategy that involves the use of direct financial leverage.

Counterparty risk is the risk that the counterparty to a derivative transaction is unwilling or unable to deliver on their obligations to the System.

The System manages leverage risk and counterparty risk on a manager by manager basis by establishing guidelines with each manager. The manager is customarily allowed to invest within these predetermined guidelines.

The System's managers may also invest in swaps. Interest rate swaps are used to adjust interest rate and yield curve exposures and substitute for physical securities. Long swap positions increase exposure to long term rates; short positions decrease exposure. Credit default swaps are used to manage credit exposure. Purchased credit default swaps decrease credit exposure, while written credit default swaps increase exposure. Total return swaps are a means to gain exposure to an index.

The System may also hold investments in futures and options, which are used to manage various risks within the portfolio. A financial futures contract is an agreement between two parties to buy or sell units of a particular index or a certain amount of a security at a set price on a future date. The System may purchase and sell financial futures contracts to hedge against the effect of changes in the values of securities it owns or expects to purchase.

In addition to the derivative financial instruments directly held, the System may have indirect exposure to risk through its ownership interests in commingled investment funds, which use, hold or write derivative financial instruments. There also may be indirect exposure in the securities lending programs in which the System participates, in which some collateral pools may include derivatives (Note 5). Where derivatives are held in those funds/pools, risks and risk management are as described above.

The System did not have any direct derivative investments as of June 30, 2025 or 2024 or during the years then ended.

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5. Securities Lending

The System has entered into agreements with its master custodian to lend to broker-dealers and other entities any type of security held in the System's portfolio and held with the master custodian. Securities are loaned against collateral that may include cash, U.S. government securities and irrevocable letters of credit. U.S. securities are loaned against collateral generally valued at 102% of the fair value of the securities plus any accrued interest. Non-U.S. securities are loaned against collateral valued at 105% of the fair value of the securities plus any accrued interest.

Non-cash collateral cannot be pledged or sold unless the borrower defaults. As a result, those securities are excluded from both assets and liabilities.

All securities loans can be terminated on demand by either the lender or the borrower. The average term of the System's loans was approximately 1 day as of June 30, 2025 and 2024.

Cash collateral is invested in a short-term investment account which had an interest sensitivity of 1 and 1 days as of June 30, 2025 and 2024, respectively. Cash collateral may also be invested separately in "term loans," in which case the investments match the loan term. These loans can be terminated on demand by either lender or borrower.

During fiscal years 2025 and 2024, there were no violations of legal or contractual provisions, and no borrower or lending agent default losses identified to the System by the securities lending agent. Securities lending earnings are credited to the System on approximately the fifteenth day of the following month.

Custodial credit risk is the risk that in the event of the insolvency of a borrower, and the master custodian has failed to live up to its contractual responsibilities relating to the lending of those securities, the System's securities are not returned to it. The master custodian's responsibilities include performing appropriate borrower and collateral investment credit analyses, demanding adequate types and levels of collateral, and complying with applicable Department of Labor and Federal Financial Institutions Examination Council regulations concerning securities lending. At June 30, 2025 and 2024, all of the collateral for securities lending is subject to custodial credit risk.

Because of the program's collateralization of loans, generally at 102% (or more), the System believes that there is no material credit risk.

Some of the System's assets are held in common/collective trusts and are subject to similar agreements arranged by those trusts. The income from those arrangements and the associated collateral are not included in the securities lending amounts reported.

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5. Securities Lending (Concluded)

Aggregate securities on loan by asset class are as follows:

	<u>2025</u>	<u>2024</u>
Domestic equity securities on loan	\$ <u>96,066,477</u>	\$ <u>136,364,593</u>
Aggregate securities lending collateral:		
Short-term investment collateral pool	\$ 18,534,848	\$ 3,377,213
Non-cash collateral:		
T-Notes	62,344,995	15,294,898
T-Bonds	15,090,993	18,741,617
T-Bills	<u>2,563,701</u>	<u>2,117,238</u>
Total collateral	\$ <u>98,534,537</u>	\$ <u>139,530,966</u>
Collateral ratio	<u>102.6%</u>	<u>102.3%</u>

6. Defined Benefit Plans

State Employee and Teacher Plan

The State Employee and Teacher Plan administered by MainePERS is a multiple-employer cost sharing plan with a special funding situation. As of June 30, 2025, there were 241 employers, including the State of Maine, participating in the plan. The State of Maine is also a non-employer contributing entity in that the State pays the unfunded actuarial liability on behalf of teachers, while school districts contribute the normal cost, calculated actuarially, for their teacher members.

Plan membership counts for the State Employee and Teacher Plan at June 30 are as follows:

	<u>2025</u>	<u>2024</u>
Current participants:		
Vested and non-vested	41,578	40,932
Terminated participants:		
Vested	9,403	9,410
Inactive due refunds	40,078	39,535
Retirees and beneficiaries receiving benefits	<u>39,138</u>	<u>38,789</u>
	<u>130,197</u>	<u>128,666</u>

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6. Defined Benefit Plans (Continued)

Judicial Plan

The Judicial Plan administered by MainePERS is a single-employer plan offered by the State of Maine.

Plan membership counts for the Judicial Plan at June 30 are as follows:

	<u>2025</u>	<u>2024</u>
Current participants:		
Vested and non-vested	64	62
Terminated participants:		
Vested	3	4
Inactive due refunds	1	1
Retirees and beneficiaries receiving benefits	<u>94</u>	<u>94</u>
	<u>162</u>	<u>161</u>

Legislative Plan

The Legislative Plan administered by MainePERS is a single-employer plan offered by the State of Maine.

Plan membership counts for the Legislative Plan at June 30 are as follows:

	<u>2025</u>	<u>2024</u>
Current participants:		
Vested and non-vested	182	175
Terminated participants:		
Vested	136	130
Inactive due refunds	96	95
Retirees and beneficiaries receiving benefits	<u>234</u>	<u>234</u>
	<u>648</u>	<u>634</u>

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6. Defined Benefit Plans (Continued)

PLD Consolidated Plan

The PLD Consolidated Plan administered by MainePERS is a multiple-employer cost sharing plan. Eligible employers (districts) are defined in Maine statute. As of June 30, 2025, there were 335 employers participating in the plan.

Plan membership counts for the PLD Consolidated Plan at June 30 are as follows:

	<u>2025</u>	<u>2024</u>
Current participants:		
Vested and non-vested	14,066	13,561
Terminated participants:		
Vested	3,049	2,953
Inactive due refunds	10,900	10,253
Retirees and beneficiaries receiving benefits	<u>11,073</u>	<u>10,853</u>
	<u>39,088</u>	<u>37,620</u>

PLD Agent Plan

The PLD Agent Plan administered by MainePERS is an agent multiple-employer plan for financial reporting purposes. This plan is an aggregation of single employer plans that were open when the PLD Consolidated Plan began. Under the legislation that created the consolidated plan, single employers could either join the consolidated plan whereby the single employer plan would end, or they could opt to not join the plan and continue to maintain their single employer plan as a closed plan until there were no further liabilities for pension, at which time the single employer plan would be dissolved. As of June 30, 2024, there were 4 employers in the plan.

Plan membership counts for the PLD Agent Plan at June 30 are as follows:

	<u>2025</u>	<u>2024</u>
Current participants:		
Vested and non-vested	—	—
Terminated participants:		
Vested	—	—
Inactive due refunds	1	1
Retirees and beneficiaries receiving benefits	<u>36</u>	<u>41</u>
	<u>37</u>	<u>42</u>

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6. Defined Benefit Plans (Continued)

Benefits

Benefit terms are established in Maine statute; in the case of the PLD Consolidated Plan, an advisory group, also established by Maine statute, reviews the terms of the plan and periodically makes recommendations to the Legislature to amend the terms. The System's retirement programs provide defined retirement benefits based on members' average final compensation and service credit earned as of retirement. Vesting (i.e., eligibility for benefits upon reaching qualification) occurs upon the earning of five years of service credit (effective October 1, 1999, the prior ten year requirement was reduced by legislative action to five years for State employees and teachers; separate legislation enacted the same reduced requirement for judges, legislators, and employees of PLDs). In some cases, vesting occurs on the earning of one year of service credit immediately preceding retirement at or after normal retirement age. Normal retirement age for State employees and teachers, judges and legislative members is age 60, 62 or 65, and is determined based on date of membership. The normal retirement age is determined by whether a member had met certain creditable service requirements on specific dates, as established by statute. For PLD members, normal retirement age is 60 or 65. The monthly benefit of members who retire before normal retirement age by virtue of having at least 25 years of service credit is reduced by a statutorily prescribed factor for each year of age that a member is below her/his normal retirement age at retirement. The System also provides disability and death benefits which are established by statute for all participating employers under applicable statutory provisions.

Upon termination of membership, members' accumulated employee contributions are refundable with interest, credited in accordance with statute. Withdrawal of accumulated contributions results in forfeiture of all benefits and membership rights. The annual rate of interest credited to members' accounts is set by the Board and is currently 4.58%.

Funding Policy

The Maine Constitution, Maine statutes and the System's funding policy provide for periodic employer contributions in addition to the normal cost contributions for the State Employee and Teacher Plan. These are actuarially determined amounts that, based on certain actuarial assumptions, are sufficient to fully fund, on an actuarial basis, the initial unfunded actuarial accrued liability (IUAAL) that existed in the State Employee and Teacher Retirement Plan in 1996 by the year 2028. Level percentage of payroll employer contribution rates are determined using the entry age normal actuarial funding method. The System also uses the level percentage of payroll method to amortize the unfunded liability of the State Employee and Teacher Retirement Plan.

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6. Defined Benefit Plans (Continued)

Net Pension Liability – State Employee and Teacher Plan

The components of the net pension liability of the State of Maine and participating teacher employers, stated in millions of dollars as of June 30, 2025, were as follows:

Total pension liability	\$ 18,770.1
Plan fiduciary net position	<u>16,888.9</u>
Net pension liability	<u>\$ 1,881.2</u>
Plan fiduciary net position as a percentage of the total pension liability	90.0%

Net Pension Liability – Judicial Plan

The components of the net pension asset of the State of Maine for the Judicial Plan, stated in millions of dollars as of June 30, 2025, were as follows:

Total pension liability	\$ 83.1
Plan fiduciary net position	<u>92.8</u>
Net pension asset	<u>\$ (9.7)</u>
Plan fiduciary net position as a percentage of the total pension liability	111.7%

Net Pension Liability – Legislative Plan

The components of the net pension asset of the State of Maine for the Legislative Plan, stated in millions of dollars as of June 30, 2025, were as follows:

Total pension liability	\$ 13.4
Plan fiduciary net position	<u>18.7</u>
Net pension asset	<u>\$ (5.3)</u>
Plan fiduciary net position as a percentage of the total pension liability	139.6%

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6. Defined Benefit Plans (Continued)

Net Pension Liability – PLD Consolidated Plan

The components of the net pension asset of the PLD Consolidated Plan participating employers, stated in millions of dollars as of June 30, 2025, were as follows:

Total pension liability	\$ 4,732.1
Plan fiduciary net position	<u>4,401.5</u>
Net pension liability	\$ <u>330.6</u>
Plan fiduciary net position as a percentage of the total pension liability	93.0%

Actuarial Methods and Assumptions

Actuarial valuations of ongoing plans involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Assumptions in an actuarial valuation typically include projections concerning future employment, mortality, and inflation. Actuarially determined contributions are subject to continual periodic revision as actual results are compared to past expectations and new estimates are made concerning the future. The Schedules of Changes in Net Pension Liabilities and Related Ratios, presented as Required Supplementary Information immediately following the Notes to Financial Statements, present multi-year trend information about whether the fiduciary net position of the plan is increasing or decreasing over time relative to the total pension liability of the plan.

Projections of benefits for financial reporting purposes are based on the provisions of the plans in effect at the time of each valuation and the historical pattern of sharing of costs between the employer and plan members. Actuarial methods and assumptions include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the funding methodologies.

The expected value of assets takes the prior year's actuarial value of assets and adjusts it for contributions, benefit payments, and expected interest earnings at the assumed rate for each plan. One-third of the difference between this expected value of assets and the actual fair value of assets is added to or subtracted from the expected value to provide the actuarial value of assets.

Costs are developed using the entry age normal cost method (based on a level percentage of covered payroll).

The initial unfunded actuarial pension liability of the State Employee and Teacher Program is amortized on a level percentage of payroll on a closed basis. The remaining amortization period as of June 30, 2025 was 4 years. All other gains, losses, and changes are amortized over twenty-year closed periods beginning on the date as of which they occur. The net pension liability of the Judicial and Legislative Plans is amortized on an open basis over a period of ten years. The net pension liability of the PLD Consolidated Plan is amortized on a level percentage of payroll using a method where a separate twenty-year closed

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6. Defined Benefit Plans (Continued)

period is established annually for the gain or loss for that year. The amortization period can have a significant impact on contribution rates developed through the annual valuation process.

The total pension liability was determined by an actuarial valuation as of June 30, 2025, using the following actuarial assumptions, applied to all periods included in the measurement period. These same assumptions were used in the actuarial valuation as of June 30, 2024, except as indicated.

	State Employee and Teacher Plan	Judicial Plan	Legislative Plan	PLD Consolidated Plan
Investment Rate of Return	Per annum, compounded annually: 6.50% for June 30, 2025 and June 30, 2024			
Inflation Rate	2.75%			
Annual Salary Increases, including Inflation	For June 30, 2025 and June 30, 2024			
	State employees, 3.26% - 9.43%; Teachers, 2.80% - 13.03%	2.75%	2.75%	2.75% - 11.48%
Cost of Living Benefit Increases	2.20%			1.91%
Mortality Rates	For June 30, 2025 and June 30, 2024			
	State Employee, Judicial, and Legislative: based on the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, for males and females, projected generationally using the RPEC_2020 model. Teachers: based on the 2010 Public Plan Teacher Benefits-Weighted Healthy Retiree Mortality Table, for males and females, projected generationally using the RPEC_2020 model.			Based on the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, for males and females, projected generationally using the RPEC_2020 model.

The actuarial assumptions used in the June 30, 2025 and June 30, 2024 actuarial valuations were based on the results of an actuarial experience study for the period of June 30, 2016 to June 30, 2020.

The long-term expected rate of return on Defined Benefit Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major class of assets. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of

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6. Defined Benefit Plans (Continued)

geometric real rates of return for each major asset class included in the target asset allocation as of June 30, 2025 are summarized in the following table:

<u>Long-Term Asset Class</u>	<u>Expected Real Rate of Return</u>
Public equities	5.6%
U.S. Government	2.2
Private equity	7.2
Real assets	
Real estate	5.8
Infrastructure	5.3
Natural resources	5.1
Traditional Credit	2.7
Alternative Credit	6.4
Diversifiers	4.8

Discount Rate

The discount rate used to measure the total pension liability for each of the Defined Benefit Plans was 6.5%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and non-employer entity contributions will be made at contractually required rates, actuarially determined. Based on these assumptions, the fiduciary net position for each of the Defined Benefit Plans was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability to changes in the discount rate

The following table presents the net pension liability for the State Employee and Teacher Plan, Judicial Plan, Legislative Plan, and PLD Consolidated Plan calculated using the discount rate of 6.5%, as well as what the net pension liability would be if it were calculated using a discount rate of one percentage point lower (5.5%) or one percentage point higher (7.5%) than the current rate:

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6. Defined Benefit Plans (Continued)

	1% Decrease (5.5%)	Current Rate (6.5%)	1% Increase (7.5%)
Net Pension Liability/(Asset):			
State Employee and Teacher Plan	\$ 4,199,239,325	\$ 1,881,148,341	\$ (56,746,488)
Judicial Plan	(2,389,218)	(9,691,773)	(16,077,222)
Legislative Plan	(3,852,691)	(5,295,986)	(6,502,828)
PLD Consolidated Plan	968,648,975	330,616,305	(194,680,862)

Information regarding sensitivity of the net pension liability to changes in the discount rate for individual single employer plans making up the PLD Agent Plan can be found in each Plan's annual actuarial report, available by contacting the System.

Contributions

Retirement benefits are funded by contributions from members and employers and by earnings from investments. Disability and death benefits are funded by employer normal cost contributions and by investment earnings. Member and employer normal cost contributions are each a percentage of applicable member compensation. Member contribution rates are defined by law or MainePERS' Board rule and depend on the terms of the plan under which a member is covered. Employers' contributions are determined by actuarial valuations.

Included in the Employers and Non-employer Contributing Entities Contributions reported in the statement of changes in fiduciary net position are contributions received from the State of Maine on behalf of state employees and teachers in the total amount of \$433.7 million and \$497.6 million, and for judges in the total amount of \$426 thousand and \$456 thousand, for the years ended June 30, 2025 and 2023, respectively. There were no contributions due from the State of Maine on behalf of legislators in 2025 or 2024.

Employer normal cost retirement contribution rates as applied to State employee members' and teacher members' compensation are the actuarially determined rates. The UAAL rate as applied to State employee members' compensation is first established through the annual valuation process as an amount that will meet the required UAAL payment amount; it is then adjusted in the State's budget process to take into account differences in salary growth projections of the State Budget Office. This adjusted rate, expressed as a percentage of payroll, is the actual rate paid by the State as payment of the required UAAL payment amount for State employees. For teachers, the actuarially determined UAAL amount is paid in twelve equal monthly installments. PLD employer contribution rates are the actuarially determined rates. The rates in effect in 2025 and 2024 are as follows:

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6. Defined Benefit Plans (Concluded)

Contribution Rates⁽¹⁾ (effective July 1 through June 30 of each fiscal year)

	<u>2025</u>	<u>2024</u>
State:		
Employees ⁽²⁾	7.65 – 8.65%	7.65 – 8.65%
Employer ⁽²⁾	18.34 – 44.17%	18.26 – 44.02%
Teachers:		
Employees	7.65%	7.65%
Employer	4.47%	4.47%
Non-employer entity	14.51%	14.51%
Judges:		
Employees	7.65%	7.65%
Employer	4.15%	4.19%
Legislative:		
Employees	7.65%	7.65%
Employer	0.00%	0.00%
Participating local districts:		
Employees ⁽²⁾	3.35 – 10.1%	3.45 – 10.7%
Employers ⁽²⁾	5.1 – 14.0%	5.3 – 14.8%

(1) Employer Contribution Rates include normal cost and UAAL required payment, expressed as a percentage of payroll.

(2) Employee and Employer retirement contribution rates vary depending on specific terms of plan benefits for certain classes of employees or, in the case of PLDs, on benefit plan options selected by a particular PLD. The contributions of withdrawn entities that do not have active employees but continue to have other liabilities are set in dollar amounts, not as rates.

7. Group Life Insurance Program

Plan Description

The Group Life Insurance Program administered by MainePERS is comprised of two multiple-employer cost-sharing defined benefit OPEB plans in addition to a multiple-employer cost-sharing plan providing life insurance benefits to active employees. Group Life Insurance Program coverage for active employees is available to eligible participants and includes basic insurance consisting of life insurance and accidental death and dismemberment insurance in the amount equal to the participant's annual base compensation rounded up to the next \$1,000. Additional supplemental insurance coverage is available to those participants who elect basic coverage. Participants may also elect to insure the life of a dependent not otherwise insured under the basic and supplemental insurance provisions of the program.

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7. Group Life Insurance Program (Continued)

Group Life Insurance Plan for Retired State Employees and Teachers

The Group Life Insurance Plan for Retired State Employees and Teachers is a multiple-employer cost sharing plan with a special funding situation. As of June 30, 2025 there were 239 employers, including the State of Maine, participating in the plan. The State of Maine is also a non-employer contributing entity in that the State pays contributions for retired public school teachers in the plan.

Plan membership counts for the Group Life Insurance Plan for Retired State Employees and Teachers as of the valuation date are as follows:

	<u>2025</u>	<u>2024</u>
Retired State Employees	8,864	8,977
Retired Teachers	7,978	8,039
Active State Employees	11,839	11,399
Active Teachers	<u>15,214</u>	<u>15,374</u>
	<u>43,895</u>	<u>43,789</u>

Group Life Insurance Plan for Retired PLD Employees

The Group Life Insurance Plan for Retired PLD employees is a multiple-employer cost sharing plan. As of June 30, 2025 there were 157 employers participating in the plan.

Plan membership counts for the Group Life Insurance Plan for Retired PLD Employees as of the valuation date are as follows:

	<u>2025</u>	<u>2024</u>
Retired PLD Employees	2,957	3,015
Active PLD Employees	<u>5,362</u>	<u>5,248</u>
	<u>8,319</u>	<u>8,263</u>

Benefits

The Group Life Insurance Plans provide basic group life insurance benefits, during retirement, to retirees who participated in the group life insurance plan prior to retirement for a minimum of 10 years (the 10-year participation requirement does not apply to recipients of disability retirement benefits).

The level of coverage in retirement is initially set to an amount equal to the retiree's average final compensation. The initial amount of basic life is then subsequently reduced at the rate of 15% per year to the greater of 40% of the initial amount or \$2,500.

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7. Group Life Insurance Plan (Continued)

Funding Policy

Premium rates are those determined by the System's Board of Trustees to be actuarially sufficient to pay anticipated claims. For state employee, judicial and legislative employment classes, the premiums for retiree life insurance coverage are factored into the premiums paid for basic coverage while participants are active members. Premiums for basic life insurance coverage for retired teachers are paid by the State of Maine as the total dollar amount of each year's annual required contribution. PLD employers with retired PLD employees are required to remit a premium of \$0.50 per \$1,000 of coverage per month during the post-employment retired period.

Net OPEB Liability – Retired State Employee and Teacher Plan

The components of the net OPEB liability of the State of Maine and participating teacher employers, stated in millions of dollars as of June 30, 2025, were as follows:

Total OPEB liability	\$ 257.1
Plan fiduciary net position	<u>187.6</u>
Net OPEB liability	<u>\$ 69.5</u>
Plan fiduciary net position as a percentage of the total OPEB liability	72.98%

Net OPEB Liability – PLD Plan

The components of the net OPEB liability of the PLD Plan participating employers, stated in millions of dollars as of June 30, 2025, were as follows:

Total OPEB liability	\$ 35.7
Plan fiduciary net position	<u>26.7</u>
Net OPEB liability	<u>\$ 9.0</u>
Plan fiduciary net position as a percentage of the total OPEB liability	74.79%

Actuarial valuations of ongoing plans involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Assumptions in an actuarial valuation typically include projections concerning future employment, mortality, and inflation. Actuarially determined contribution requirements are subject to continual periodic revision as actual results are compared to past expectations and new estimates are made concerning the future. The Schedule of Historical OPEB Information, presented as Required Supplementary Information immediately following the Notes to Financial Statements, will present multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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7. Group Life Insurance Plan (Continued)

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the provisions of the plan in effect at the time of each valuation and the historical pattern of sharing of premium costs between the employer and plan members. Actuarial methods and assumptions include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the funding methodologies.

Costs are developed using the individual entry age normal cost method based on a level percentage of payroll.

Significant actuarial assumptions employed by the actuary for funding purposes as of June 30, 2025 are displayed in the table below. The valuation date is June 30, 2025. These same assumptions were used as of June 30, 2024 unless otherwise noted.

	State employees, including judges and legislators	Teachers	PLD employees
Investment Rate of Return	Per annum, compounded annually: 6.50% for June 30, 2025 and June 30, 2024		
Inflation Rate	2.75%		
Annual Salary Increases, including Inflation	For June 30, 2025 and June 30, 2024		
	State employees: 3.26% - 9.43%; Judges and Legislators: 2.75%	2.80 - 13.03%	2.75% - 11.48%
Mortality Rates	For June 30, 2025 and June 30, 2024		
	Based on the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, for males and females, projected generationally using the RPEC_2020 model.	Based on the 2010 Public Plan Teacher Benefits-Weighted Healthy Retiree Mortality Table, for males and females, projected generationally using the RPEC_2020 model.	Based on the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, for males and females, projected generationally using the RPEC_2020 model.
Participation Rate for Future Retirees	100% of those currently enrolled		
Conversion Charges	Apply to the cost of active group life insurance, not retiree group life insurance		
Form of Benefit Payment	Lump sum		

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
(A Component Unit of the State of Maine)

NOTES TO FINANCIAL STATEMENTS

June 30, 2025
With Summarized Information for June 30, 2024

7. Group Life Insurance Plan (Continued)

The unfunded actuarial accrued liability is being amortized as a level percentage of payroll over a 30-year period on a closed basis. As of June 30, 2025, there were 12 years remaining in the amortization schedule for state employees and teachers, and 5 years remaining for PLD employees.

The actuarial assumptions used in the June 30, 2025 and June 30, 2024 actuarial valuations were based on the results of an actuarial experience study conducted for the period of June 30, 2016 to June 30, 2020.

The long-term expected rate of return on OPEB Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major class of assets. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the target asset allocation as of June 30, 2025 are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Public equity	5.6%
Traditional credit	2.7
U.S. Government securities	2.2

Discount Rate

The discount rate used to measure the total OPEB liability for the State Employee and Teacher Plan and the PLD Plan was 6.5% in 2025 and 2024. The projection of cash flows used to determine the discount rate assumed that employer and non-employer entity contributions will be made at contractually required rates, actuarially determined. Based on these assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
(A Component Unit of the State of Maine)

NOTES TO FINANCIAL STATEMENTS

June 30, 2025
With Summarized Information for June 30, 2024

7. Group Life Insurance Plan (Continued)

Sensitivity of the net OPEB liability to changes in the discount rate

The following table presents the net OPEB liability for the Retired State Employee and Teacher Plan calculated using the discount rate of 6.5%, as well as what the net OPEB liability would be if it were calculated using a discount rate of one percentage point lower (5.5%) or one percentage point higher (7.5%) than the current rate:

	1% Decrease (5.5%)	Current Rate (6.5%)	1% Increase (7.5%)
Net OPEB Liability	\$107,399,628	\$69,455,653	\$ 38,673,494

The following table presents the net OPEB liability for the PLD Plan calculated using the discount rate of 6.5%, as well as what the net OPEB liability would be if it were calculated using a discount rate of one percentage point lower (5.5%) or one percentage point higher (7.5%) than the current rate:

	1% Decrease (5.5%)	Current Rate (6.5%)	1% Increase (7.5%)
Net OPEB Liability	\$ 14,424,837	\$ 8,988,958	\$ 4,615,034

Premiums

The basic life benefits for participants are funded by the State, school districts, PLDs and individuals. Participants pay additional premiums for supplemental and dependent insurance based upon the coverage selected.

Maine statute requires the System's Board of Trustees to establish on a regular basis the premium rates for participants in the Group Life Insurance Plan. The premium rates are determined to be actuarially sufficient to pay anticipated claims and cover administrative costs. The State of Maine remits premiums at a single rate that supports basic coverage for active and retired state employees (including Legislative and Judicial employees). This rate is \$.98 per month for every \$1,000 of coverage. The State remits premiums for retired teachers at a rate of \$.78 per month for every \$1,000 of coverage. As per individual collective bargaining agreements between employers and employees, individual school districts or teachers themselves pay premiums at the rate of \$.11 per month for every \$1,000 of coverage while active, and employees of participating local districts or the district itself pay premiums of \$.50 per month for every \$1,000 in coverage for employees while active and retired. In those cases where employees themselves pay premiums, those premiums are usually deducted from employees' compensation and remitted to the System.

Included in the Employers and Non-employer Contributing Entities Contributions and Premiums in the Statement of Changes in Fiduciary Net Position are group life insurance premiums received from the State of Maine on behalf of active and retired state employees, retired teachers, legislators, and judges in the total amount of \$14.9 and \$14 million, respectively, for the years ended June 30, 2025 and 2024.

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
(A Component Unit of the State of Maine)

NOTES TO FINANCIAL STATEMENTS

June 30, 2025
With Summarized Information for June 30, 2024

7. Group Life Insurance Plan (Concluded)

Benefits

Upon service retirement, only basic life insurance in an amount equal to the retiree's average final compensation will continue at no cost to the participant as long as the retiree participated in the group life insurance plan prior to retirement for a minimum of 10 years.

If a participant becomes eligible for disability retirement, the amount of basic insurance in force at the time of such retirement will be continued until normal retirement age, after which the amount will be reduced at the same rate as for a service retiree. The 10-year participation requirement does not apply to recipients of disability retirement benefits.

Under the Accidental Death and Dismemberment provisions of the plan, no legal action can be brought to recover any benefit after 3 years from the deadline for filing claims. The deadline for filing claims under the Accidental Death and Dismemberment provisions of the plan is 90 days after the date of the loss giving rise to the claim.

Claims Processing Expenses

All benefits are processed and paid by a third-party administrator (TPA). The fees incurred for services performed by the TPA totaled \$1.5 million and \$1.5 million for the years ended June 30, 2025 and 2024, respectively, and are listed as claims processing expenses in the basic financial statements.

8. Statutory and Constitutional Requirements

An amendment to the Maine constitution approved in November 1995 requires the State of Maine to fund the unfunded actuarial liability of the State Employee and Teacher Retirement Plan existing on June 30, 1996, over a period not to exceed 31 years beginning July 1, 1997, and not later than June 30, 2028. The amendment prohibits the creation of new unfunded liabilities in that Plan except those arising from experience losses, which under the 1995 amendment must be funded over a period of not more than ten years. An amendment approved in November 2017 extends the period from ten years to twenty years.

9. The System's Employee Benefits

Defined Benefit Plan

The System, as the employer of its staff, is a PLD in the PLD Consolidated Plan. As such, the System's employees are required by statute to contribute 6.75% or 7.5% of their annual covered salaries, depending on which plan they participate in. The System is required to contribute at the contribution rate established by the Board under the actuarial valuation of the PLD Consolidated Plan. The contribution rate was 9.9% and 9.9% of annual covered payroll for 2025 and 2024, respectively.

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
(A Component Unit of the State of Maine)

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

With Summarized Information for June 30, 2024

9. The System's Employee Benefits (Concluded)

The employer contributions on behalf of its employees, equal to the required contribution, were \$1,200,193 and \$1,055,452 for 2025 and 2024, respectively. The actuarial assumptions used in the PLD Consolidated Plan valuation are described in the actuarial assumptions and methods footnote to the required supplementary information.

The System's contributions to the PLD Consolidated Plan are treated as administrative costs of the Plan and are funded as a component of normal cost and included in the contribution rates paid by all employers in each of the plans administered by the System. Accordingly, the System does not reflect a portion of the collective net pension liability or related deferred inflows and outflows of resources related to pension obligations in the System's basic financial statements.

Group Life Insurance Plan

The System, as the employer of its staff, is a PLD in the Group Life Insurance Plan. The System pays the premiums for Basic only coverage for all active employees. Employees who elect additional coverage under the Supplemental and/or Dependent provisions have the additional required premiums withheld from their pay in order to fund such coverage.

The System was required to pay premiums for Basic coverage at the rate of \$0.50 per \$1,000 of coverage for the 2025 and 2024 fiscal years. The total premiums the System paid on behalf of its active employees, equal to the required contributions, were \$66,744 and \$54,492 for 2025 and 2024, respectively.

Other Post-Employment Benefits

The System provides OPEB to its retirees in the form of health insurance coverage and group life insurance coverage. The System's annual OPEB costs are actuarially determined based on the parameters of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

The total contributions for retiree health insurance coverage, equal to the actuarially determined contributions, were \$0 for 2025 and 2024. The OPEB liability for this plan is immaterial and the Plan's assets exceed its actuarial liability at June 30, 2025 and 2024. The actuarial liability is calculated using assumptions similar to those used for the System's defined benefit plan.

The total contributions for retiree group life insurance coverage, equal to the actuarially determined contributions, were \$9,276 and \$9,276 for 2025 and 2024, respectively. The OPEB liability for this plan is immaterial.

10. Risk Management

The System carries insurance to cover its exposure to various risks of loss. There were no uninsured losses during the last three years.

REQUIRED SUPPLEMENTAL SCHEDULE
SCHEDULE OF HISTORICAL PENSION INFORMATION
STATE EMPLOYEE AND TEACHER PLAN

June 30, 2025
(UNAUDITED)

SCHEDULE OF CHANGES IN THE PLAN'S NET PENSION LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total pension liability										
Service cost	\$ 307,220,179	\$ 292,531,569	\$ 278,327,390	\$ 271,706,726	\$ 238,775,193	\$ 231,226,103	\$ 224,775,112	\$ 215,826,380	\$ 213,047,075	\$ 203,297,053
Interest	1,148,592,212	1,115,326,282	1,080,895,886	1,052,840,572	989,560,149	968,243,358	934,009,648	914,535,911	886,834,221	882,785,134
Changes of benefit terms	1,969,365	25,675,350	6,574,283	104,916,162	-	1,223,156	-	-	-	-
Differences between expected and actual experience	344,923,985	155,752,965	174,376,812	107,921,791	25,575,263	162,293	208,719,412	34,151,279	95,207,531	81,506,700
Changes of assumptions	-	-	-	-	1,175,893,728	-	-	191,998,939	-	30,436,605
Benefit payments, including refunds of member contributions	(1,083,215,811)	(1,059,251,999)	(1,001,430,769)	(947,944,497)	(902,913,135)	(882,617,693)	(851,469,104)	(810,211,176)	(780,157,263)	(744,357,598)
Net change in total pension liability	719,489,930	530,034,167	538,743,602	589,440,754	1,526,891,198	318,237,217	516,035,068	546,301,333	414,931,564	453,667,894
Total pension liability, beginning	18,050,569,851	17,520,535,684	16,981,792,082	16,392,351,328	14,865,460,130	14,547,222,913	14,031,187,845	13,484,886,512	13,069,954,948	12,616,287,054
Total pension liability, ending (a)	\$ 18,770,059,781	\$ 18,050,569,851	\$ 17,520,535,684	\$ 16,981,792,082	\$ 16,392,351,328	\$ 14,865,460,130	\$ 14,547,222,913	\$ 14,031,187,845	\$ 13,484,886,512	\$ 13,069,954,948
Plan fiduciary net position										
Contributions - member	\$ 192,912,415	\$ 179,506,016	\$ 171,937,520	\$ 164,348,772	\$ 159,510,002	\$ 151,438,848	\$ 146,019,051	\$ 140,844,880	\$ 139,464,284	\$ 125,523,986
Contributions - employer	515,032,447	295,754,590	265,119,318	348,890,554	239,444,343	225,468,762	218,530,934	211,251,144	211,037,365	199,212,719
Contributions - non-employer	(400)	214,917,732	200,007,456	194,654,436	179,329,944	174,530,364	132,980,832	129,421,735	116,080,164	112,477,836
Net investment income / (loss)	1,470,150,598	1,119,831,175	881,906,560	(79,389,989)	3,192,036,232	354,272,726	768,987,130	1,077,827,554	1,256,043,735	40,540,758
Benefit payments, including refunds of member contributions	(1,083,436,916)	(1,059,472,862)	(1,001,644,268)	(948,151,998)	(903,115,909)	(882,819,483)	(851,653,558)	(810,381,770)	(780,325,980)	(744,523,743)
Administrative expenses	(15,456,603)	(13,682,533)	(11,964,126)	(11,962,324)	(11,088,956)	(11,343,928)	(11,180,852)	(10,076,242)	(9,216,027)	(8,649,030)
Other	-	(300,000)	(904,562)	(341,271)	(384,565)	(2,193,752)	(311,233)	-	(124,178)	(6,342,010)
Net change in fiduciary net position	1,079,201,541	736,554,118	504,457,898	(331,951,820)	2,855,731,091	9,353,537	403,372,304	738,887,301	932,959,363	(281,759,484)
Plan fiduciary net position, beginning	15,809,709,899	15,073,155,781	14,568,697,883	14,900,649,703	12,044,918,612	12,035,565,075	11,632,192,771	10,893,305,470	9,960,346,107	10,242,105,591
Plan fiduciary net position, ending (b)	\$ 16,888,911,440	\$ 15,809,709,899	\$ 15,073,155,781	\$ 14,568,697,883	\$ 14,900,649,703	\$ 12,044,918,612	\$ 12,035,565,075	\$ 11,632,192,771	\$ 10,893,305,470	\$ 9,960,346,107
Plan's net pension liability, ending (a)-(b)	\$ 1,881,148,341	\$ 2,240,859,952	\$ 2,447,379,903	\$ 2,413,094,199	\$ 1,491,701,625	\$ 2,820,541,518	\$ 2,511,657,838	\$ 2,398,995,074	\$ 2,591,581,042	\$ 3,109,608,841
Plan fiduciary net position as a percentage of the total pension liability	89.98%	87.59%	86.03%	85.79%	90.90%	81.03%	82.73%	82.90%	80.78%	76.21%
Covered payroll	\$ 2,571,039,099	\$ 2,437,075,004	\$ 2,312,413,537	\$ 2,221,410,193	\$ 2,096,365,332	\$ 2,003,075,813	\$ 1,924,006,618	\$ 1,808,274,919	\$ 1,860,294,435	\$ 1,816,435,084
Plan net pension liability as a percentage of covered payroll	73.17%	91.95%	105.84%	108.63%	71.16%	140.81%	130.54%	132.67%	139.31%	171.19%

See notes to historical pension and OPEB information.

See accompanying independent auditors' report.

REQUIRED SUPPLEMENTAL SCHEDULE
SCHEDULE OF HISTORICAL PENSION INFORMATION
JUDICIAL PLAN

June 30, 2025
(UNAUDITED)

SCHEDULE OF CHANGES IN THE PLAN'S NET PENSION LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total pension liability										
Service cost	\$ 2,039,372	\$ 1,747,988	\$ 1,770,062	\$ 1,733,281	\$ 1,546,701	\$ 1,608,376	\$ 1,596,832	\$ 1,487,383	\$ 1,465,977	\$ 1,396,704
Interest	5,136,720	4,985,781	4,916,069	4,875,889	4,822,289	4,644,191	4,582,454	4,442,404	4,358,175	4,154,433
Changes of benefit terms	-	55,424	18,706	273,590	-	-	-	-	-	2,016,584
Differences between expected and actual experience	798,920	1,098,347	(110,488)	(150,154)	1,066,613	942,561	(1,087,164)	468,895	(893,352)	(1,745,956)
Changes of assumptions	-	-	-	-	836,266	-	-	697,807	-	2,489,800
Benefit payments, including refunds of member contributions	(5,737,550)	(5,627,267)	(5,433,883)	(5,094,485)	(4,681,415)	(4,314,558)	(4,067,506)	(3,804,709)	(3,651,927)	(3,501,911)
Net change in total pension liability	2,237,462	2,260,273	1,160,466	1,638,121	3,590,454	2,880,570	1,024,616	3,291,780	1,278,873	4,809,654
Total pension liability, beginning	80,846,424	78,586,151	77,425,685	75,787,564	72,197,110	69,316,540	68,291,924	65,000,144	63,721,271	58,911,617
Total pension liability, ending (a)	\$ 83,083,886	\$ 80,846,424	\$ 78,586,151	\$ 77,425,685	\$ 75,787,564	\$ 72,197,110	\$ 69,316,540	\$ 68,291,924	\$ 65,000,144	\$ 63,721,271
Plan fiduciary net position										
Contributions - member	\$ 784,044	\$ 731,941	\$ 620,462	\$ 650,172	\$ 635,871	\$ 616,095	\$ 620,075	\$ 603,875	\$ 584,451	\$ 549,845
Contributions - employer	425,640	456,322	662,365	867,895	738,939	715,963	1,212,666	1,179,328	1,144,445	1,077,545
Contributions - non-employer	-	-	-	-	-	-	-	-	-	-
Net investment income (loss)	8,161,745	6,297,740	5,093,775	(453,509)	19,279,640	2,164,283	4,709,445	6,606,905	7,799,507	129,372
Benefit payments, including refunds of member contributions	(5,737,550)	(5,627,267)	(5,433,883)	(5,094,485)	(4,681,415)	(4,314,558)	(4,067,506)	(3,804,709)	(3,651,927)	(3,501,911)
Administrative expenses	(86,545)	(78,691)	(70,478)	(72,167)	(67,680)	(69,406)	(68,475)	(61,708)	(56,436)	(47,577)
Other	-	-	729,841	29,746	473,431	764,902	(2,604)	-	-	6,342,010
Net change in fiduciary net position	3,547,334	1,780,045	1,602,082	(4,072,348)	16,378,786	(122,721)	2,403,601	4,523,691	5,820,040	4,549,284
Plan fiduciary net position, beginning	89,203,285	87,423,240	85,821,158	89,893,506	73,514,720	73,637,441	71,233,840	66,710,149	60,890,109	56,340,825
Plan fiduciary net position, ending (b)	\$ 92,750,619	\$ 89,203,285	\$ 87,423,240	\$ 85,821,158	\$ 89,893,506	\$ 73,514,720	\$ 73,637,441	\$ 71,233,840	\$ 66,710,149	\$ 60,890,109
Plan's net pension (asset) liability, ending (a)-(b)	\$ (9,666,733)	\$ (8,356,861)	\$ (8,837,089)	\$ (8,395,473)	\$ (14,105,942)	\$ (1,317,610)	\$ (4,320,901)	\$ (2,941,916)	\$ (1,710,005)	\$ 2,831,162
Plan fiduciary net position as a percentage of the total pension liability	111.63%	110.34%	111.25%	110.84%	118.61%	101.83%	106.23%	104.31%	102.63%	95.56%
Covered payroll	\$ 10,256,386	\$ 9,567,971	\$ 8,658,366	\$ 8,502,222	\$ 8,312,022	\$ 8,053,577	\$ 8,116,908	\$ 7,893,732	\$ 7,639,818	\$ 7,188,426
Plan net pension (asset) liability as a percentage of covered payroll	(94.25)%	(87.34)%	(102.06)%	(98.74)%	(169.71)%	(16.36)%	(53.23)%	(37.27)%	(22.38)%	39.39%

See notes to historical pension and OPEB information.

See accompanying independent auditors' report.

REQUIRED SUPPLEMENTAL SCHEDULE
SCHEDULE OF HISTORICAL PENSION INFORMATION
LEGISLATIVE PLAN

June 30, 2025
(UNAUDITED)

SCHEDULE OF CHANGES IN THE PLAN'S NET PENSION LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total pension liability										
Service cost	\$ 332,880	\$ 392,233	\$ 311,209	\$ 375,207	\$ 286,472	\$ 334,862	\$ 297,324	\$ 282,199	\$ 264,807	\$ 411,624
Interest	739,676	732,992	702,689	698,694	657,782	611,447	577,720	565,088	530,313	547,268
Changes of benefit terms	-	15,225	5,513	43,111	-	-	-	-	-	-
Differences between expected and actual experience	1,440,285	(305,190)	64,885	(199,354)	180,989	413,313	238,611	(90,816)	157,775	(245,867)
Changes of assumptions	-	-	-	-	374,000	-	-	99,915	-	(146,529)
Benefit payments, including refunds of member contributions	(721,855)	(670,376)	(655,401)	(618,847)	(549,461)	(697,697)	(606,841)	(459,746)	(469,043)	(445,331)
Net change in total pension liability	1,790,986	164,884	428,895	298,811	949,782	661,925	506,814	396,640	483,852	121,165
Total pension liability, beginning	11,571,061	11,406,177	10,977,282	10,678,471	9,728,689	9,066,764	8,559,950	8,163,310	7,679,458	7,558,293
Total pension liability, ending (a)	\$ 13,362,047	\$ 11,571,061	\$ 11,406,177	\$ 10,977,282	\$ 10,678,471	\$ 9,728,689	\$ 9,066,764	\$ 8,559,950	\$ 8,163,310	\$ 7,679,458
Plan fiduciary net position										
Contributions - member	\$ 348,339	\$ 183,506	\$ 226,997	\$ 161,937	\$ 214,905	\$ 156,306	\$ 220,611	\$ 153,881	\$ 202,388	\$ 137,893
Contributions - employer	-	15,225	5,513	43,111	-	-	-	-	-	-
Contributions - non-employer	-	-	-	-	-	-	-	-	-	-
Net investment income (loss)	1,617,499	1,235,988	975,107	(89,007)	3,559,227	390,165	845,408	1,176,463	1,366,222	47,890
Benefit payments, including refunds of member contributions	(721,855)	(670,376)	(655,401)	(618,847)	(549,461)	(697,697)	(606,841)	(459,746)	(469,043)	(445,331)
Administrative expenses	(17,051)	(15,142)	(13,257)	(13,374)	(12,383)	(12,458)	(12,262)	(11,002)	(10,003)	(9,353)
Other	-	-	-	-	(3,271)	365,766	45,285	-	-	-
Net change in fiduciary net position	1,226,932	749,201	538,959	(516,180)	3,209,017	202,082	492,201	859,596	1,089,564	(268,901)
Plan fiduciary net position, beginning	17,431,101	16,681,900	16,142,941	16,659,121	13,450,104	13,248,022	12,755,821	11,896,225	10,806,661	11,075,562
Plan fiduciary net position, ending (b)	\$ 18,658,033	\$ 17,431,101	\$ 16,681,900	\$ 16,142,941	\$ 16,659,121	\$ 13,450,104	\$ 13,248,022	\$ 12,755,821	\$ 11,896,225	\$ 10,806,661
Plan's net pension asset ending (a)-(b)	\$ (5,295,986)	\$ (5,860,040)	\$ (5,275,723)	\$ (5,165,659)	\$ (5,980,650)	\$ (3,721,415)	\$ (4,181,258)	\$ (4,195,871)	\$ (3,732,915)	\$ (3,127,203)
Plan fiduciary net position as a percentage of the total pension liability	139.63%	150.64%	146.25%	147.06%	156.01%	138.25%	146.12%	149.02%	145.73%	140.72%
Covered payroll	\$ 4,662,018	\$ 3,056,745	\$ 2,962,483	\$ 2,801,166	\$ 2,802,145	\$ 2,814,060	\$ 2,659,749	\$ 2,710,694	\$ 2,651,195	\$ 2,590,011
Plan net pension liability as a percentage of covered payroll	(113.60)%	(191.71)%	(178.08)%	(184.41)%	(213.43)%	(132.24)%	(157.20)%	(154.79)%	(140.80)%	(120.74)%

See notes to historical pension and OPEB information.

See accompanying independent auditors' report.

REQUIRED SUPPLEMENTAL SCHEDULE
SCHEDULE OF HISTORICAL PENSION INFORMATION
PLD CONSOLIDATED PLAN

June 30, 2025
(UNAUDITED)

SCHEDULE OF CHANGES IN THE PLAN'S NET PENSION LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total pension liability										
Service cost	\$ 129,547,572	\$ 118,728,433	\$ 104,583,699	\$ 93,851,265	\$ 86,845,610	\$ 82,715,056	\$ 78,317,217	\$ 76,190,510	\$ 76,271,766	\$ 74,208,414
Interest	287,607,001	267,399,602	256,376,007	241,612,217	229,954,447	219,752,007	208,360,684	207,492,397	198,972,490	192,774,429
Changes of benefit terms	-	863,779	20,744,234	16,214,107	-	29,759,516	-	(106,123,366)	-	-
Differences between expected and actual experience	74,953,642	150,622,559	51,680,563	67,455,268	13,300,796	(6,552,650)	47,684,163	1,285,303	(2,160,603)	(9,142,757)
Changes of assumptions	-	-	-	-	161,866,111	-	-	46,439,540	-	50,884,219
Benefit payments, including refunds of member contributions	(238,266,705)	(225,200,272)	(211,144,592)	(194,576,381)	(182,691,917)	(174,752,167)	(165,399,679)	(152,087,885)	(146,163,566)	(139,919,680)
Net change in total pension liability	253,841,510	312,414,101	222,239,911	224,556,476	309,275,047	150,921,762	168,962,385	73,196,499	126,920,087	168,804,625
Total pension liability, beginning	4,478,226,902	4,165,812,801	3,943,572,890	3,719,016,414	3,409,741,367	3,258,819,605	3,089,857,220	3,016,660,721	2,889,740,634	2,720,936,009
Total pension liability, ending (a)	\$ 4,732,068,412	\$ 4,478,226,902	\$ 4,165,812,801	\$ 3,943,572,890	\$ 3,719,016,414	\$ 3,409,741,367	\$ 3,258,819,605	\$ 3,089,857,220	\$ 3,016,660,721	\$ 2,889,740,634
Plan fiduciary net position										
Contributions - member	\$ 77,555,995	\$ 72,650,710	\$ 65,716,199	\$ 65,104,304	\$ 53,621,126	\$ 54,090,045	\$ 54,927,202	\$ 48,050,202	\$ 46,080,851	\$ 40,861,405
Contributions - employer	107,992,691	98,715,699	92,595,758	78,887,165	68,506,485	66,717,733	61,487,037	56,092,662	51,387,011	47,624,182
Refund of IUUAL account balances	-	-	-	-	-	-	-	-	-	-
Net investment income (loss)	380,470,211	288,525,441	224,685,095	(19,908,035)	802,368,797	88,330,927	188,620,106	259,699,519	299,780,948	10,200,342
Benefit payments, including refunds of member contributions	(238,266,705)	(225,200,272)	(211,144,591)	(194,576,381)	(182,691,917)	(174,752,167)	(165,399,679)	(152,087,885)	(146,163,566)	(139,919,680)
Administrative expenses	(3,990,802)	(3,491,661)	(3,020,237)	(3,011,451)	(2,773,340)	(2,797,728)	(2,706,977)	(2,411,666)	(2,209,324)	(2,028,294)
Other	(284,900)	57,992	147,934	89,325	(306,895)	27,683,461	48,552	(386,621)	(62,201)	(217,338)
Net change in fiduciary net position	323,476,490	231,257,909	168,980,158	(73,415,073)	738,724,256	59,272,271	136,976,241	208,956,211	248,813,719	(43,479,383)
Plan fiduciary net position, beginning	4,077,975,617	3,846,717,708	3,677,737,550	3,751,152,623	3,012,428,367	2,953,156,096	2,816,179,855	2,607,223,644	2,358,409,925	2,401,889,308
Plan fiduciary net position, ending (b)	\$ 4,401,452,107	\$ 4,077,975,617	\$ 3,846,717,708	\$ 3,677,737,550	\$ 3,751,152,623	\$ 3,012,428,367	\$ 2,953,156,096	\$ 2,816,179,855	\$ 2,607,223,644	\$ 2,358,409,925
Plan's net pension (asset) liability, ending (a)-(b)	\$ 330,616,305	\$ 400,251,285	\$ 319,095,093	\$ 265,835,340	\$ (32,136,209)	\$ 397,313,000	\$ 305,663,509	\$ 273,677,365	\$ 409,437,077	\$ 531,330,709
Plan fiduciary net position as a percentage of the total pension liability	93.01%	91.06%	92.34%	93.26%	100.86%	88.35%	90.62%	91.14%	86.43%	81.61%
Covered payroll	\$ 990,758,633	\$ 914,034,250	\$ 857,368,130	\$ 744,218,538	\$ 646,287,594	\$ 641,523,784	\$ 593,884,355	\$ 561,126,768	\$ 542,572,528	\$ 521,870,235
Plan net pension (asset) liability as a percentage of covered payroll	33.37%	43.79%	37.22%	35.72%	(4.97)%	61.93%	51.47%	48.77%	75.46%	101.81%

See notes to historical pension and OPEB information.

See accompanying independent auditors' report.

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
(A Component Unit of the State of Maine)

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF HISTORICAL PENSION INFORMATION
STATE EMPLOYEE AND TEACHER PLAN

June 30, 2025
(UNAUDITED)

SCHEDULE OF EMPLOYER CONTRIBUTIONS
Last Ten Fiscal Years

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially determined contribution	\$ 512,707,452	\$ 484,672,270	\$ 458,177,786	\$ 438,298,297	\$ 418,558,583	\$ 399,775,788	\$ 350,583,375	\$ 340,376,744	\$ 312,736,906	\$ 301,891,511
Contributions in relation to the actuarially determined contribution	<u>512,707,452</u>	<u>484,672,270</u>	<u>458,177,786</u>	<u>438,298,297</u>	<u>418,558,583</u>	<u>399,775,788</u>	<u>350,583,375</u>	<u>340,376,744</u>	<u>312,736,906</u>	<u>301,891,511</u>
Contribution deficiency (excess)	\$ <u>—</u>	\$ <u>—</u>	\$ <u>—</u>	<u>—</u>	\$ <u>—</u>	\$ <u>—</u>	\$ <u>—</u>	\$ <u>—</u>	\$ <u>—</u>	\$ <u>—</u>
Covered payroll	\$2,571,039,099	\$2,437,075,004	\$2,312,413,537	\$2,221,410,193	\$2,096,365,332	\$2,003,075,813	\$1,924,006,618	\$1,865,849,388	\$1,860,230,663	\$1,816,435,084
Contributions as a percentage of covered payroll	19.94%	19.89%	19.81%	19.73%	19.97%	19.96%	18.22%	18.24%	16.81%	16.62%

See notes to historical pension and OPEB information.

See accompanying independent auditor's report.

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
(A Component Unit of the State of Maine)

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF HISTORICAL PENSION INFORMATION
JUDICIAL PLAN

June 30, 2025
(UNAUDITED)

SCHEDULE OF EMPLOYER CONTRIBUTIONS
Last Ten Fiscal Years

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially determined contribution	\$ 425,640	\$ 400,898	\$ 601,756	\$ 594,305	\$ 738,939	\$ 715,963	\$ 1,212,666	\$ 1,179,328	\$ 1,144,445	\$ 1,077,545
Contributions in relation to the actuarially determined contribution	<u>425,640</u>	<u>400,898</u>	<u>601,756</u>	<u>594,305</u>	<u>738,939</u>	<u>715,963</u>	<u>1,212,666</u>	<u>1,179,328</u>	<u>1,144,445</u>	<u>1,077,575</u>
Contribution deficiency (excess)	\$ <u>—</u>	\$ <u>—</u>	\$ <u>—</u>	\$ <u>—</u>	\$ <u>—</u>	\$ <u>—</u>	\$ <u>—</u>	\$ <u>—</u>	\$ <u>—</u>	\$ <u>—</u>
Covered payroll	\$10,256,386	\$ 9,567,971	\$ 8,658,366	\$ 8,502,222	\$ 8,312,022	\$ 8,053,577	\$ 8,116,908	\$ 7,893,762	\$ 7,639,818	\$ 7,188,426
Contributions as a percentage of covered payroll	4.15%	4.19%	6.95%	6.99%	8.89%	8.89%	14.94%	14.94%	14.98%	14.99%

See notes to historical pension and OPEB information.

See accompanying independent auditor's report.

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
(A Component Unit of the State of Maine)

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF HISTORICAL PENSION INFORMATION
LEGISLATIVE PLAN

June 30, 2025
(UNAUDITED)

SCHEDULE OF EMPLOYER CONTRIBUTIONS
Last Ten Fiscal Years

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially determined contribution	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Contributions in relation to the actuarially determined contribution	—	—	—	—	—	—	—	—	—	—
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Covered payroll	\$ 4,662,018	\$ 3,056,745	\$ 2,962,483	\$ 2,801,166	\$ 2,802,145	\$ 2,814,060	\$ 2,659,749	\$ 2,710,694	\$ 2,651,195	\$ 2,590,011
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

See notes to historical pension and OPEB information.

See accompanying independent auditor's report.

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
(A Component Unit of the State of Maine)

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF HISTORICAL PENSION INFORMATION
PLD CONSOLIDATED PLAN

June 30, 2025
(UNAUDITED)

SCHEDULE OF EMPLOYER CONTRIBUTIONS
Last Ten Fiscal Years

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially determined contribution	\$ 107,992,691	\$ 92,595,758	\$ 92,595,758	\$ 78,887,165	\$ 68,506,485	\$ 66,717,733	\$ 61,170,089	\$ 55,551,550	\$ 51,387,011	\$ 46,968,321
Contributions in relation to the actuarially determined contribution	<u>107,992,691</u>	<u>92,595,758</u>	<u>92,595,758</u>	<u>78,887,165</u>	<u>68,506,485</u>	<u>66,717,733</u>	<u>61,170,089</u>	<u>55,551,550</u>	<u>51,387,011</u>	<u>46,968,321</u>
Contribution deficiency (excess)	\$ <u>—</u>	\$ <u>—</u>	\$ <u>—</u>	\$ <u>—</u>	\$ <u>—</u>	\$ <u>—</u>	\$ <u>—</u>	\$ <u>—</u>	\$ <u>—</u>	\$ <u>—</u>
Covered payroll	\$ 990,758,633	\$ 857,368,130	\$ 857,368,130	\$ 744,218,538	\$ 646,287,594	\$ 641,523,784	\$ 593,884,355	\$ 561,126,768	\$ 542,572,528	\$ 521,870,235
Contributions as a percentage of covered payroll	10.90%	10.80%	10.80%	10.60%	10.60%	10.40%	10.30%	9.90%	9.47%	9.00%

See notes to historical pension and OPEB information.

See accompanying independent auditor's report.

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
(A Component Unit of the State of Maine)

REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF HISTORICAL PENSION INFORMATION
ALL DEFINED BENEFIT PLANS**

June 30, 2025
(UNAUDITED)

SCHEDULE OF INVESTMENT RETURNS
*Last Ten Fiscal Years **

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Annual money-weighted rate of return, net of investment expenses	9.3%	8.0%	4.7%	3.4%	26.5%	1.8%	7.08%	10.30%	12.48%	0.48%

See notes to historical pension and OPEB information.

* Retroactive information is not required to be presented. This information will be presented each year until 10 years of such information is available.

See accompanying independent auditor's report.

REQUIRED SUPPLEMENTAL SCHEDULES
SCHEDULE OF HISTORICAL OPEB INFORMATION
STATE EMPLOYEE AND TEACHER PLAN

June 30, 2025
(UNAUDITED)

SCHEDULE OF CHANGES IN THE PLAN'S NET OPEB LIABILITY AND RELATED RATIOS
*Last Ten Fiscal Years**

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB liability									
Service cost	\$ 3,110,939	\$ 2,934,493	\$ 2,855,954	\$ 2,756,810	\$ 2,683,027	\$ 2,190,471	\$ 2,131,845	\$ 2,122,079	\$ 2,065,283
Interest	16,023,722	16,240,766	15,218,725	15,240,012	13,846,827	14,274,714	13,155,332	12,531,082	12,014,739
Changes of benefit terms	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	-	(10,415,324)	-	365,044	-	589,478	-	1,957,220	-
Changes of assumptions	-	1,753,836	-	-	291,076	-	-	3,199,639	-
Benefit payments, including refunds of member contributions	(10,814,047)	(7,234,173)	(7,684,604)	(6,817,681)	(6,613,935)	(8,177,754)	(7,118,082)	(7,269,810)	(6,003,967)
Net change in total OPEB liability	8,320,614	3,279,598	10,390,075	11,544,185	10,206,995	8,876,909	8,169,095	12,540,210	8,076,055
Total OPEB liability, beginning	248,729,760	245,450,162	235,060,087	223,515,902	213,308,907	204,431,998	196,262,903	183,722,693	175,646,638
Total OPEB liability, ending (a)	\$ 257,050,374	\$ 248,729,760	\$ 245,450,162	\$ 235,060,087	\$ 223,515,902	\$ 213,308,907	\$ 204,431,998	\$ 196,262,903	\$ 183,722,693
Plan fiduciary net position for retirees									
Contributions - member	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions - employer	12,910,708	12,163,030	11,053,496	10,584,751	9,866,578	9,310,849	7,756,442	7,638,453	6,921,228
Net investment income	22,076,746	20,682,541	14,263,865	(20,387,369)	32,552,180	4,885,544	6,418,113	7,804,839	9,885,897
Benefit payments, including refunds of member contributions	(10,814,047)	(7,234,173)	(7,684,604)	(6,817,681)	(6,613,935)	(8,177,754)	(7,118,082)	(7,269,810)	(6,003,967)
Administrative expenses	(1,053,775)	(972,819)	(951,015)	(824,527)	(821,718)	(1,018,932)	(726,320)	(769,717)	(1,335,745)
Other	-	-	-	-	-	-	-	-	-
Net change in fiduciary net position for retirees	23,119,632	24,638,579	16,681,742	(17,444,826)	34,983,105	4,999,707	6,330,153	7,403,765	9,467,413
Plan fiduciary net position for retirees, beginning	164,475,089	139,836,510	123,154,768	140,599,594	105,616,489	100,616,782	94,286,629	86,882,864	77,415,451
Plan fiduciary net position for retirees, ending (b)	\$ 187,594,721	\$ 164,475,089	\$ 139,836,510	\$ 123,154,768	\$ 140,599,594	\$ 105,616,489	\$ 100,616,782	\$ 94,286,629	\$ 86,882,864
Net OPEB liability, ending (a)-(b)	\$ 69,455,653	\$ 84,254,671	\$ 105,613,652	\$ 111,905,319	\$ 82,916,308	\$ 107,692,418	\$ 103,815,216	\$ 101,976,274	\$ 96,839,829
Plan fiduciary net position for retirees as a percentage of the total OPEB liability	72.98%	66.13%	56.97%	52.39%	62.90%	49.51%	49.22%	48.04%	47.29%
Covered payroll	\$ 1,782,494,670	\$ 1,734,788,000	\$ 1,644,477,452	\$ 1,600,464,673	\$ 1,525,192,949	\$ 1,484,372,700	\$ 1,380,619,384	\$ 1,343,668,500	\$ 1,277,009,000
Net OPEB liability as a percentage of covered payroll	3.90%	4.86%	6.42%	6.99%	5.44%	7.26%	7.52%	7.59%	7.58%

See notes to historical pension and OPEB information.

* This information will be presented each year until 10 years of such information is available.

See accompanying independent auditors' report.

REQUIRED SUPPLEMENTAL SCHEDULES
SCHEDULE OF HISTORICAL OPEB INFORMATION
PLD CONSOLIDATED PLAN

June 30, 2025
(UNAUDITED)

SCHEDULE OF CHANGES IN THE PLAN'S NET OPEB LIABILITY AND RELATED RATIOS
*Last Ten Fiscal Years**

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB liability									
Service cost	\$ 351,657	\$ 351,657	\$ 308,456	\$ 308,456	\$ 309,875	\$ 522,353	\$ 488,545	\$ 442,863	\$ 619,735
Interest	2,218,325	2,231,071	2,109,659	2,121,985	1,962,386	1,941,994	1,832,881	1,706,200	1,616,253
Changes of benefit terms	-	(259,297)	-	-	-	(636,731)	-	-	-
Differences between expected and actual experience	-	(697,751)	-	(149,516)	-	727,053	-	2,045,678	-
Changes of assumptions	-	98,188	-	-	906,229	(9,045,090)	893,851	1,554,074	(5,591,242)
Benefit payments, including refunds of member contributions	(1,350,201)	(1,151,257)	(1,373,721)	(988,402)	(1,223,890)	(1,589,460)	(1,581,540)	(1,530,346)	(1,394,586)
Net change in total OPEB liability	1,219,781	572,611	1,044,394	1,292,523	1,954,600	(8,079,881)	1,633,737	4,218,469	(4,749,840)
Total OPEB liability, beginning	34,440,889	33,868,278	32,823,884	31,531,361	29,576,761	37,656,642	36,022,905	31,804,436	36,554,276
Total OPEB liability, ending (a)	\$ 35,660,670	\$ 34,440,889	\$ 33,868,278	\$ 32,823,884	\$ 31,531,361	\$ 29,576,761	\$ 37,656,642	\$ 36,022,905	\$ 31,804,436
Plan fiduciary net position for retirees									
Contributions - member	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions - employer	1,664,074	1,497,755	1,332,464	1,277,664	1,186,563	1,127,014	1,100,509	1,069,640	1,037,124
Net investment income	3,128,916	2,949,268	2,065,791	(3,031,547)	4,987,761	752,517	1,037,784	1,333,324	1,738,914
Benefit payments, including refunds of member contributions	(1,350,201)	(1,151,257)	(1,373,721)	(988,402)	(1,223,890)	(1,589,460)	(1,581,540)	(1,530,346)	(1,394,586)
Administrative expenses	(149,785)	(140,692)	(141,629)	(124,368)	(127,631)	(164,654)	(119,519)	(133,624)	(238,856)
Other	-	-	-	-	-	-	-	-	-
Net change in fiduciary net position for retirees	3,293,004	3,155,074	1,882,905	(2,866,653)	4,822,803	125,417	437,234	738,994	1,142,596
Plan fiduciary net position for retirees, beginning	23,378,708	20,223,634	18,340,729	21,207,382	16,384,579	16,259,162	15,821,928	15,082,934	13,940,338
Plan fiduciary net position for retirees, ending (b)	\$ 26,671,712	\$ 23,378,708	\$ 20,223,634	\$ 18,340,729	\$ 21,207,382	\$ 16,384,579	\$ 16,259,162	\$ 15,821,928	\$ 15,082,934
Net OPEB liability, ending (a)-(b)	\$ 8,988,958	\$ 11,062,181	\$ 13,644,644	\$ 14,483,155	\$ 10,323,979	\$ 13,192,182	\$ 21,397,480	\$ 20,200,977	\$ 16,721,502
Plan fiduciary net position for retirees as a percentage of the total OPEB liability	74.79%	67.88%	59.71%	55.88%	67.26%	55.40%	43.18%	43.92%	47.42%
Covered payroll	\$ 349,317,120	\$ 339,968,000	\$ 309,318,600	\$ 301,040,000	\$ 299,768,500	\$ 291,745,500	\$ 283,884,893	\$ 276,287,000	\$ 260,552,680
Net OPEB liability as a percentage of covered payroll	2.57%	3.25%	4.41%	4.81%	3.44%	4.52%	7.54%	7.31%	6.42%

See notes to historical pension and OPEB information.

* This information will be presented each year until 10 years of such information is available.

See accompanying independent auditors' report.

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
(A Component Unit of the State of Maine)

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF HISTORICAL OPEB INFORMATION
STATE EMPLOYEE AND TEACHER PLAN

June 30, 2025
(UNAUDITED)

SCHEDULE OF EMPLOYER CONTRIBUTIONS

*Last Ten Fiscal Years**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Actuarially determined contribution	\$ 13,415,735	\$ 13,056,677	\$ 11,593,184	\$ 11,242,005
Contributions in relation to the actuarially determined contribution	<u>12,910,708</u>	<u>12,163,030</u>	<u>11,053,496</u>	<u>10,584,751</u>
Contribution deficiency	<u>\$ 505,027</u>	<u>\$ 893,647</u>	<u>\$ 539,688</u>	<u>\$ 657,254</u>
Covered payroll	\$ 1,782,494,670	\$ 1,734,788,000	\$ 1,644,477,452	\$ 1,600,464,673
Contributions as a percentage of covered payroll	0.72%	0.70%	0.67%	0.66%

See notes to historical pension and OPEB information.

*This information will be presented each year until 10 years of such information is available.

See accompanying independent auditor's report.

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
\$ 10,964,907	\$ 10,671,443	\$ 9,040,284	\$ 8,805,704	\$ 8,239,903
<u>9,866,578</u>	<u>9,310,849</u>	<u>7,756,442</u>	<u>7,638,453</u>	<u>6,921,228</u>
\$ <u>1,098,329</u>	\$ <u>1,360,594</u>	\$ <u>1,283,842</u>	\$ <u>1,167,251</u>	\$ <u>1,318,675</u>
\$ 1,525,192,949	\$ 1,484,372,700	\$ 1,380,619,384	\$ 1,343,668,500	\$ 1,277,009,000
0.65%	0.63%	0.56%	0.57%	0.54%

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
(A Component Unit of the State of Maine)

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF HISTORICAL OPEB INFORMATION
PLD CONSOLIDATED PLAN

June 30, 2025
(UNAUDITED)

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Last Ten Fiscal Years

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Actuarially determined contribution	\$ 1,984,731	\$ 1,931,612	\$ 1,996,217	\$ 1,942,791
Contributions in relation to the actuarially determined contribution	<u>1,664,074</u>	<u>1,497,755</u>	<u>1,332,464</u>	<u>1,277,664</u>
Contribution deficiency	\$ <u>320,657</u>	\$ <u>433,857</u>	\$ <u>663,753</u>	\$ <u>665,127</u>
Covered payroll	\$ 349,317,120	\$ 339,968,000	\$ 309,318,600	\$ 301,040,000
Contributions as a percentage of covered payroll	0.48%	0.44%	0.43%	0.42%

See notes to historical pension and OPEB information.

*This information will be presented each year until 10 years of such information is available.

See accompanying independent auditor's report.

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
\$ 1,586,809	\$ 1,544,340	\$ 1,287,098	\$ 1,252,650	\$ 1,146,324
<u>1,186,563</u>	<u>1,127,014</u>	<u>1,100,509</u>	<u>1,069,640</u>	<u>1,037,124</u>
\$ <u>400,246</u>	\$ <u>417,326</u>	\$ <u>186,589</u>	\$ <u>183,010</u>	\$ <u>109,200</u>
299,768,500	\$ 291,745,500	\$ 283,884,893	\$ 276,287,000	\$ 260,552,680
0.40%	0.39%	0.39%	0.39%	0.40%

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
(A Component Unit of the State of Maine)

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF HISTORICAL OPEB INFORMATION
ALL OPEB PLANS

June 30, 2025
(UNAUDITED)

SCHEDULE OF INVESTMENT RETURNS

*Last Ten Fiscal Years **

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Annual money-weighted rate of return, net of investment expenses	13.1%	14.2%	11.0%	14.1%	30.6%	6.0%	6.6%	9.00%	12.88%

See notes to historical pension and OPEB information.

* Retroactive information is not required to be presented. This information will be presented each year until 10 years of such information is available.

See accompanying independent auditor's report.

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
(A Component Unit of the State of Maine)

NOTES TO HISTORICAL PENSION AND OPEB INFORMATION

June 30, 2025
(UNAUDITED)

1. Basis of Presentation

The schedule of investment returns for pension plans applies to the State Employee and Teacher Plan, the Judicial Plan, the Legislative Plan, the PLD Consolidated Plan, and the PLD Agent Plans, as investments of these plans are commingled. Assets in the Group Life Insurance Plans, including assets to provide life insurance benefits to active employees, are commingled for investment purposes but separately from the pension plan assets.

2. Actuarial Methods and Assumptions – Defined Benefit Plans

The information in the historical pension information was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation date, June 30, 2024, is as follows:

Actuarial Cost Method

The Entry Age Normal actuarial funding method is used to determine costs. Under this funding method, the total employer contribution rate consists of two elements, the normal cost rate and the unfunded actuarial liability rate.

The individual entry age normal method is used to determine liabilities. Under the individual entry age normal method, a normal cost rate is calculated for each employee. This rate is determined by taking the value, as of age at entry into the plan, of the member's projected future benefits, and dividing it by the value, also as of the member's entry age, of the member's expected future salary. The normal cost for each employee is the product of the member's pay and normal cost rate. The normal cost for the group is the sum of the normal costs for all members.

Experience gains and losses, i.e., decreases or increases in liabilities and/or in assets when actual experience differs from the actuarial assumptions, affect the unfunded actuarial accrued liability.

Asset Valuation Method

An actuarial value of assets is used for determining employer contributions. The use of an actuarial value of assets for this purpose helps mitigate volatility in contribution rates that might otherwise occur due to fluctuations in market conditions. The specific technique adopted in this valuation recognizes in a given year one-third of the investment return that is different from the actuarial assumption for investment return.

Amortization

The net pension liability of the State Employee and Teacher Retirement Program is amortized on a level percentage of payroll over the amortization period then in effect under statutory and constitutional requirements (Note 6 to the Financial Statements). The net pension liabilities of the Legislative Plan and the Judicial Plan are amortized on a level percentage of payroll over open ten year periods.

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
(A Component Unit of the State of Maine)

NOTES TO HISTORICAL PENSION AND OPEB INFORMATION

June 30, 2025
(UNAUDITED)

2. Actuarial Methods and Assumptions – Defined Benefit Plans (Concluded)

The net pension liability of the PLD Consolidated Plan is amortized on a level percentage of payroll using a method where a separate twenty-year closed period is established annually for the gain or loss for that year.

Significant actuarial assumptions employed by the actuary for funding purposes as of June 30 for each year indicated are as follows:

	State Employee and Teacher Plan	Judicial Plan	Legislative Plan	PLD Consolidated Plan
Investment Rate of Return	Per annum, compounded annually: 6.50% for June 30, 2025, June 30, 2024, June 30, 2023, June 30, 2022 and June 30, 2021; 6.75% for June 30, 2020, June 30, 2019 and June 30, 2018; 6.875% for June 30, 2017 and June 30, 2016; 7.125% for June 30, 2015			Per annum, compounded annually: 6.50% for June 30, 2024, June 30, 2023, June 30, 2022 and June 30, 2021; 6.75% for June 30, 2020, June 30, 2019 and June 30, 2018; 6.875% for June 30, 2017 and June 30, 2016; 7.125% for June 30, 2015
Inflation Rate	2.75% for June 30, 2025, June 30, 2024, June 30, 2023, June 30, 2022, June 30, 2021, June 30, 2020, June 30, 2019, June 30, 2018, June 30, 2017, and June 30, 2016; 3.50% for June 30, 2015			
Annual Salary Increases, including Inflation	For the periods ended June 30, 2025, June 30, 2024, June 30, 2023, June 30, 2022 and June 30, 2021			
	State employees, 3.26% - 9.43%; Teachers, 2.80% - 13.03%	2.75%	2.75%	2.75% - 11.48%
	For the periods ended June 30, 2020; June 30, 2019; June 30, 2018; June 30, 2017; and June 30, 2016:			
	State employees, 2.75% - 8.75%; Teachers, 2.75% - 14.50%	2.75%	2.75%	2.75% - 9.00%
	For the period ended June 30, 2015			
	State employees, 3.50% - 10.50%; Teachers, 3.50% - 13.50%	3.50%	3.50%	3.50% - 9.50%
Cost of Living Benefit Increases	2.20% for June 30, 2025, June 30, 2024, June 30, 2023, June 30, 2022, June 30, 2021, June 30, 2020, June 30, 2019, June 30, 2018, June 30, 2017 and June 30, 2016; 2.55% for June 30, 2015			1.91% for June 30, 2025, June 30, 2024, June 30, 2023, June 30, 2022, June 30, 2021, June 30, 2020, June 30, 2019 and June 30, 2018; 2.20% for June 30, 2017 and June 30, 2016; 2.55% for June 30, 2015
Mortality Rates	For the periods ended June 30, 2025, June 30, 2024, June 30, 2023, June 30, 2022 and June 30, 2021			
	State Employee, Judicial, and Legislative: based on the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, for males and females, projected generationally using the RPEC_2020 model. Teachers: based on the 2010 Public Plan Teacher Benefits-Weighted Healthy Retiree Mortality Table, for males and females, projected generationally using the RPEC_2020 model.			Based on the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, for males and females, projected generationally using the RPEC_2020 model.
	For the periods ended June 30, 2020; June 30, 2019; June 30, 2018; June 30, 2017; and June 30, 2016:			
	For active members and non-disabled retirees of the State employees and teachers, legislative, judicial, and PLD plans, the RP2014 Total Dataset Healthy Annuitant Mortality Table, for males and females, is used. For all recipients of disability benefits, the RP2014 Total Dataset Disabled Annuitant Mortality Table, for males and females, is used.			
	For the period ended June 30, 2015			
	For active members and non-disabled retirees of the State employees and teachers, legislative, judicial, and PLD plans, the RP2000 Tables projected forward to 2015 using Scale AA are used; the ages are set back two years for employees of the teacher plan. Mortality assumptions were also reviewed and updated in 2011 for the PLD Consolidated Plan, and in 2012 for the other Plans, based on actual demographic data of the Plans. For all recipients of disability benefits, the Revenue Ruling 96-7 Disabled Mortality Table for Males and Females is used.			

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
(A Component Unit of the State of Maine)

NOTES TO HISTORICAL PENSION AND OPEB INFORMATION

June 30, 2025
(UNAUDITED)

3. Actuarial Methods and Assumptions – Group Life Insurance Plans

The information in the historical Group Life Insurance Plan information was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation date, June 30, 2025, is as follows:

Actuarial Cost Method

The individual entry age normal method is used to determine liabilities. Under the individual entry age normal method, a normal cost rate is calculated for each employee. This rate is determined by taking the value, as of age at entry into the plan, of the member's projected future benefits, and dividing it by the value, also as of the member's entry age, of the member's expected future salary. The normal cost for each employee is the product of the member's pay and normal cost rate. The normal cost for the group is the sum of the normal costs for all members.

The actuarial accrued liability is defined as the present value of future benefits less the present value of future normal cost contributions. The unfunded actuarial accrued liability is the total of the actuarial liability for all members less the actuarial value of the System's assets.

Experience gains and losses, i.e., decreases or increases in liabilities and/or in assets when actual experience differs from the actuarial assumptions, affect the unfunded actuarial accrued liability.

Asset Valuation Method

Asset amounts are taken as reported to the actuaries by the System without audit or change, except that State of Maine assets are allocated to State, Legislators, and Judges based on total actuarial liability.

Amortization

The unfunded actuarial accrued liability is being amortized as a level percentage of payroll over a 30-year period on a closed basis. As of June 30, 2024, there were 14 years remaining in the amortization schedule for state employees and teachers, and 7 years remaining for PLD employees.

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
(A Component Unit of the State of Maine)

NOTES TO HISTORICAL PENSION AND OPEB INFORMATION

June 30, 2025
(UNAUDITED)

3. Actuarial Methods and Assumptions – Group Life Insurance Plan (Concluded)

Significant actuarial assumptions employed by the actuary for funding purposes as of June 30 for each year indicated are as follows:

	State employees, including judges and legislators	Teachers	PLD employees
Investment Rate of Return	Per annum, compounded annually:		
	6.50% for June 30, 2025, June 30, 2024, June 30, 2023, June 30, 2022 and June 30, 2021; 6.75% for June 30, 2020, June 30, 2019 and June 30, 2018; 6.875% for June 30, 2017		6.50% for June 30, 2025, June 30, 2024, June 30, 2023, June 30, 2022 and June 30, 2021; 6.75% for June 30, 2020; 4.98% for June 30, 2019; 5.13% for June 30, 2018; 5.41% for June 30, 2017
Inflation Rate	2.75% for June 30, 2025, June 30, 2024, June 30, 2023, June 30, 2022, June 30, 2021, June 30, 2020, June 30, 2019, June 30, 2018 and June 30, 2017		
Annual Salary Increases, including Inflation	For June 30, 2025, June 30, 2024, June 30, 2023, June 30, 2022 and June 30, 2021		
	State employees: 3.26% - 9.43%; Judges and Legislators: 2.75%	2.80 - 13.03%	2.75% - 11.48%
	For June 30, 2020, June 30, 2019, June 30, 2018 and June 30, 2017		
	2.75% - 8.75%	2.75% - 14.50%	2.75% - 9.00%
Mortality Rates	For June 30, 2025, June 30, 2024, June 30, 2023, June 30, 2022 and June 30, 2021		
	Based on the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, for males and females, projected generationally using the RPEC_2020 model.	Based on the 2010 Public Plan Teacher Benefits-Weighted Healthy Retiree Mortality Table, for males and females, projected generationally using the RPEC_2020 model.	Based on the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, for males and females, projected generationally using the RPEC_2020 model.
	For June 30, 2020, June 30, 2019, June 30, 2018 and June 30, 2017		
	For active members and non-disabled retirees of the State employees, legislative, judicial, and PLD plans, the RP2014 Total Dataset Healthy Annuitant Mortality Table, for males and females, is used. For all recipients of disability benefits, the RP2014 Total Dataset Disabled Annuitant Mortality Table, for males and females, is used.		
Participation Rate for Future Retirees	100% of those currently enrolled		
Conversion Charges	Apply to the cost of active group life insurance, not retiree group life insurance		
Form of Benefit Payment	Lump sum		

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
(A Component Unit of the State of Maine)

ADDITIONAL SUPPLEMENTARY INFORMATION

SCHEDULE OF INVESTMENT EXPENSES

For the Year Ended June 30, 2025

Asset Class	State Employee and Teacher Plan	Judicial Plan	Legislative Plan	PLD Consolidated Plan	PLD Agent Plan
Alternative Credit	\$13,815,849	\$ 76,762	\$15,209	\$3,582,801	\$ 5,839
Infrastructure	17,653,073	98,081	19,433	4,577,891	7,460
Natural Resources	5,526,056	30,703	6,085	1,433,041	2,336
Public Equity	584,718	3,249	643	151,632	247
Fixed Income	288,432	1,604	318	74,796	122
Private Equity	35,857,718	199,216	39,465	9,298,818	15,151
Real Estate	15,727,589	87,378	17,313	4,078,563	6,647
Risk Diversifier	12,678,193	70,439	13,954	3,287,776	5,357
Other Investment Expenses	—	—	—	—	—
In-house investment management	<u>4,614,111</u>	<u>25,635</u>	<u>5,079</u>	<u>1,196,556</u>	<u>1,950</u>
Total investment expenses	<u>\$ 106,745,739</u>	<u>\$ 593,067</u>	<u>\$117,499</u>	<u>\$27,681,874</u>	<u>\$ 45,109</u>

Group Life Insurance Plan Actives	Group Life Insurance Plan Retired SET	Group Life Insurance Plan Retired PLD	Defined Contribution Plans	MainePERS OPEB Trust	Retiree Health Insurance Trust Fund	Total
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$17,496,460
—	—	—	—	—	—	22,355,938
—	—	—	—	—	—	6,998,221
817	12,931	1,832	—	1,430	48,563	806,062
338	5,353	758	—	600	20,330	392,651
—	—	—	—	—	—	45,410,368
—	—	—	—	—	—	19,917,490
—	—	—	—	—	—	16,055,719
—	—	—	60,125	—	—	60,125
<u>3,074</u>	<u>48,661</u>	<u>6,894</u>	<u>—</u>	<u>5,333</u>	<u>—</u>	<u>5,907,293</u>
<u>\$ 4,229</u>	<u>\$ 66,945</u>	<u>\$ 9,484</u>	<u>\$ 60,125</u>	<u>\$ 7,363</u>	<u>\$ 68,893</u>	<u>\$135,400,327</u>

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
(A Component Unit of the State of Maine)

ADDITIONAL SUPPLEMENTARY INFORMATION

SCHEDULE OF ADMINISTRATIVE EXPENSES

For the Year Ended June 30, 2025

	State Employee and Teacher Plan	Judicial Plan	Legislative Plan	PLD Consolidated Plan	PLD Agent Plan
Personal services	\$10,476,148	\$ 58,658	\$11,557	\$2,704,879	\$ 4,587
Professional fees	1,892,762	10,598	2,088	488,700	829
Computer services	1,210,908	6,780	1,336	312,649	530
Telephone, data, and internet services	126,110	706	139	32,561	55
Printing and postage	384,945	2,155	425	99,391	169
Office rent and building operations	360,037	2,016	397	92,959	158
Depreciation	310,595	1,739	343	80,194	136
Other operating expenses	<u>695,096</u>	<u>3,892</u>	<u>767</u>	<u>179,470</u>	<u>304</u>
Total administrative expenses	<u>\$15,456,601</u>	<u>\$ 86,544</u>	<u>\$17,052</u>	<u>\$3,990,803</u>	<u>\$ 6,768</u>

Group Life Insurance Plan Active	Group Life Insurance Plan Retired SET	Group Life Insurance Plan Retired PLD	Defined Contribution Plans	Retiree Health Insurance Trust Fund	Total
\$ 48,944	\$ 714,226	\$ 101,521	\$ 193,370	\$ 3,900	\$14,317,790
8,843	129,042	18,342	34,937	-	2,586,141
5,657	82,555	11,735	22,351	-	1,654,501
589	8,598	1,222	2,328	-	172,308
1,798	26,244	3,730	7,105	-	526,962
1,682	24,546	3,489	6,646	-	492,930
1,451	21,175	3,010	5,733	-	424,376
<u>3,247</u>	<u>47,389</u>	<u>6,738</u>	<u>12,830</u>	-	<u>949,733</u>
\$ <u>72,211</u>	\$ <u>1,053,775</u>	\$ <u>149,787</u>	\$ <u>285,300</u>	\$ <u>3,900</u>	\$ <u>21,122,741</u>

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
(A Component Unit of the State of Maine)

ADDITIONAL SUPPLEMENTARY INFORMATION

SCHEDULE OF PROFESSIONAL FEES

For the Year Ended June 30, 2025

Professional fee	
Audit*	\$ 130,683
Actuarial services	592,496
IT service	813,319
Legal services	277,041
Medical consulting services and expenses	209,854
Other services	<u>563,226</u>
Total professional fees	<u>\$2,586,618</u>

*Including outsourced internal audit services

MAINEPERS

BOARD OF TRUSTEES MEMORANDUM

TO: BOARD MEMBERS
FROM: DR. REBECCA M. WYKE, CEO
SUBJECT: CEO REPORT
DATE: OCTOBER 1, 2025

Pension Administration System (PAS)

The Phase 2 process of setting up the infrastructure and environments continues. Phase 3 of the project, business process reviews and requirements confirmation, is complete. Phase 4, which kicked off on September 9th, is the elaboration and configuration of our requirements within Sagitec's Neospin system and consists of 3 pilots conducted over the next 3 years. Overall, the project is on track for quality, scope, schedule, and resources (budget).

FY2025 Year End

At the October meeting, the Board will vote on the acceptance of the FY2025 valuation reports for the System's defined benefit plans. MainePERS experienced an investment return of 9.31% for the fiscal year. On a smoothed actuarial valuation of assets basis the return was 7.96%. Both measures are above the assumed rate of return, 6.5%. The market value of assets as of June 30, 2025, is \$21.3 billion.

The actuarial value of assets (AVA) funded ratio for the State Employee/Teacher Plan increased from 86.3% in FY2024 to 87.6% in FY2025, while the calculated employer contribution rate decreased from 20.43% to 19.98%. The AVA funded ratio for the PLD Consolidated Plan increased from 89.8% to 90.5%, while the calculated aggregate contribution rate decreased from 19.2% to 19.0%. The Legislative and Judicial Plans' AVA funded status remain overfunded at 135.9% and 108.7%, respectively. The Legislative Plan continues to have a calculated employer contribution rate of 0%, while the Judicial Plan's rate is 4.99%.

Today you will also hear from BerryDunn about the audited financial statements for the year ending June 30, 2025. The System's fiduciary net position as of June 30, 2025 is \$22.47 billion, an increase of \$1.57 billion, or 7.5%, largely driven by strong investment returns.

Board Education Plan

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

Strategic Plan Update & Key Performance and Risk Measures

The 5-Year Strategic Plan was adopted by the Board of Trustees in August 2022. Attached is a memorandum entitled 5-Year Strategic Plan Update – Year III, along with updated key performance and risk measures.

MainePERS Board Education Summary

Board Policy 1.8 - Trustee Education

September 2025

MainePERS Sponsored Board Education

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

Ad-hoc Board Education requested for 2025-2026

Post-2028 State Employee and Teacher Plan Funding delivered by staff and actuary
Measuring Private Market Investment Performance delivered by staff and investment consultant
Actuarial Assumptions and Asset Allocation delivered by staff, actuary and investment consultant
Application of Artificial Intelligence delivered by staff
Peer Best Practices delivered by actuary and investment consultant

Mission Moments

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

Pension Plan Fundamentals

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

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

Introduction to Investing

Cambridge Associates

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

National Conference on Public Employee Retirement Systems

Trustee Educational Seminar – 2026 date & location TBD

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

National Council on Teacher Retirement

Annual Trustee Workshop - 2026 date & location TBD

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



MainePERS
PUBLIC EMPLOYEES RETIREMENT SYSTEM

5-Year Strategic Plan

Year III Update to Board of Trustees

October 9, 2025

Dr. Rebecca Wyke, CEO

Mission, Vision and Values

Mission

MainePERS partners with public employers to deliver retirement and related services.

Vision

MainePERS is a trusted and effective fiduciary focused on meeting the needs of active and retired members, beneficiaries, and employers.

Values

Accountability – Respect – Collaboration – Stewardship – Agility

Goal I. Preservation of the Trust Fund

- ▶ Trustee Charter
- ▶ Annual Board Work Plan
- ▶ 3-Year Policy Review Cycle
- ▶ Board Education Plan
 - ▶ New Trustee orientation
 - ▶ Governance
 - ▶ Fiduciary duties
 - ▶ Investments
 - ▶ Actuarial Practices
 - ▶ Divestment
 - ▶ PAS System
 - ▶ Inclusion and Belonging
 - ▶ Mission moments
- ▶ Board self-evaluation
- ▶ Board management system - Govenda
- ▶ Finance & Audit Committee
 - ▶ Budget & finance oversight
 - ▶ Employer reporting
 - ▶ Enterprise risk management
 - ▶ Internal audit
- ▶ Annual valuations
- ▶ Annual external financial audit
- ▶ Strategic asset allocation
- ▶ Staff succession planning
- ▶ Public website & live webinar meetings
- ▶ GFOA excellence in reporting certificate, 21st year
- ▶ PPCC funding recognition award, 17th year

Goal II: Stability of the Contribution Rates

- ▶ FY2024 Valuation
 - ▶ State/Teacher Plan, 86.3% funded
 - ▶ PLD Consolidated Plan, 89.8% funded
- ▶ Adopted Employer Contribution Rates
- ▶ Reported on Funding Trends
 - ▶ Legislature
 - ▶ Members
 - ▶ Stakeholders
- ▶ Administered COLAs for the State-sponsored Plans and the PLD Consolidated Plan

Goal III: Security and Integrity of our Information Systems

- ▶ NIST cybersecurity framework
- ▶ 11 cybersecurity tests
 - ▶ including internal and external penetration testing;
 - ▶ Web application penetration testing; and
 - ▶ Social engineering testing (vishing)
- ▶ Staff cybersecurity training
- ▶ New PAS system development
- ▶ Data cleansing project
- ▶ New full building generator
- ▶ New data storage arrays
- ▶ Emergency infrastructure testing
- ▶ Business recovery tabletop exercises
- ▶ AI Policy
- ▶ Fraud prevention assessment & staff training

Goal IV: Cultivation of a Member-centric Organization

- ▶ Member education
 - ▶ 42 webinars, more than 900 attendees
 - ▶ New webinar on State special plans
 - ▶ New GLI videos
- ▶ Benefit estimator
 - ▶ More than 1000 scenarios per month
- ▶ Member Portal
 - ▶ 31,500 registrants, 4,500 transactions
- ▶ Reduced backlogs
 - ▶ Most eliminated
 - ▶ PB to final benefit workflows reduced by 20%
- ▶ Retiree GLI beneficiary audit
- ▶ Disability retirement
 - ▶ Simplified definition of earnable compensation
 - ▶ Introduced annual statement of compensation waiver
 - ▶ Relaxed time for recovery of overpayments (Public Law 2025, c. 221)
 - ▶ Removed continuous service requirement for pre-existing conditions (Public Law 2025, c. 221)
 - ▶ Removed SS offset (Public Law 2025, c. 270)
 - ▶ Disability Survey, 96% felt process was fair and they were treated with respect
- ▶ Member survey
 - ▶ 93% retiree satisfaction rating
 - ▶ 61% member satisfaction rating

Goal V: Development of Stakeholder Relations

- ▶ Employers
 - ▶ Employer Advisory Panel
 - ▶ Training program
 - ▶ Quarterly newsletter
 - ▶ Account reconciliations at 85%
 - ▶ Employer survey, 78% satisfaction rating
- ▶ PLD Advisory Committee
 - ▶ Contribution rates
 - ▶ COLAs
- ▶ Member organizations
 - ▶ Newsletter articles
 - ▶ Annual meetings
- ▶ Stakeholder meetings
 - ▶ Governor's administration
 - ▶ Legislature
 - ▶ Labor unions
 - ▶ Others
- ▶ Legislative reports
 - ▶ Divestment
 - ▶ ESG
 - ▶ Operations

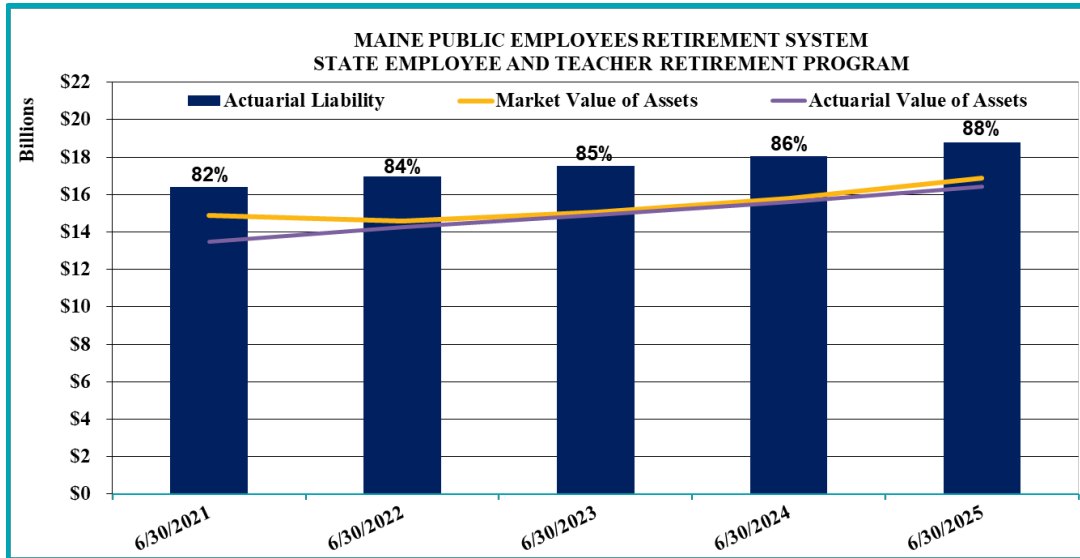
VI. Foster an Engaged Workforce that Advances the Organization's Mission

- ▶ Staff-led Organizational Values Steering Committee
 - ▶ Communications
 - ▶ Collaboration
 - ▶ Employee-facing policies
- ▶ Staff-led Events Committee
- ▶ Employee newsletter
- ▶ Lunch & learns
- ▶ Bi-monthly inclusion & belonging education
- ▶ Supervisor training program
- ▶ New employee onboarding
 - ▶ Governance & Strategic Plan
 - ▶ Cross-departmental introductions
 - ▶ Peer contact program
- ▶ Performance reviews
 - ▶ Employee self-evaluation
- ▶ Compensation study prior to collective bargaining
- ▶ Reduced turnover, 10.87% in 2024 v 21.6% in 2022
- ▶ Employee survey, 83% job satisfaction rating v 74% in 2023

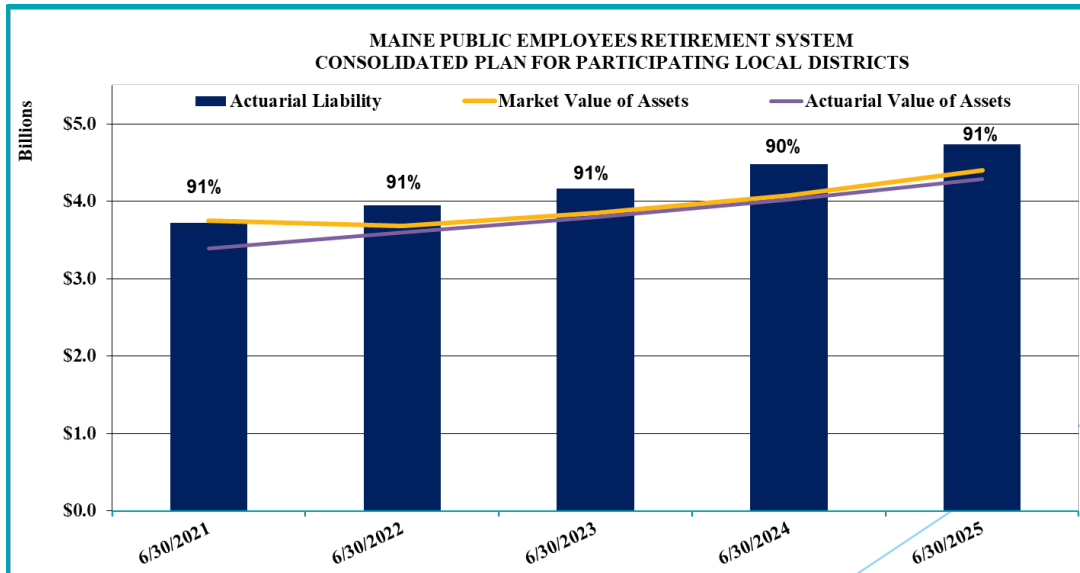
Key Performance & Risk Metrics

2025 Strategic Plan Update

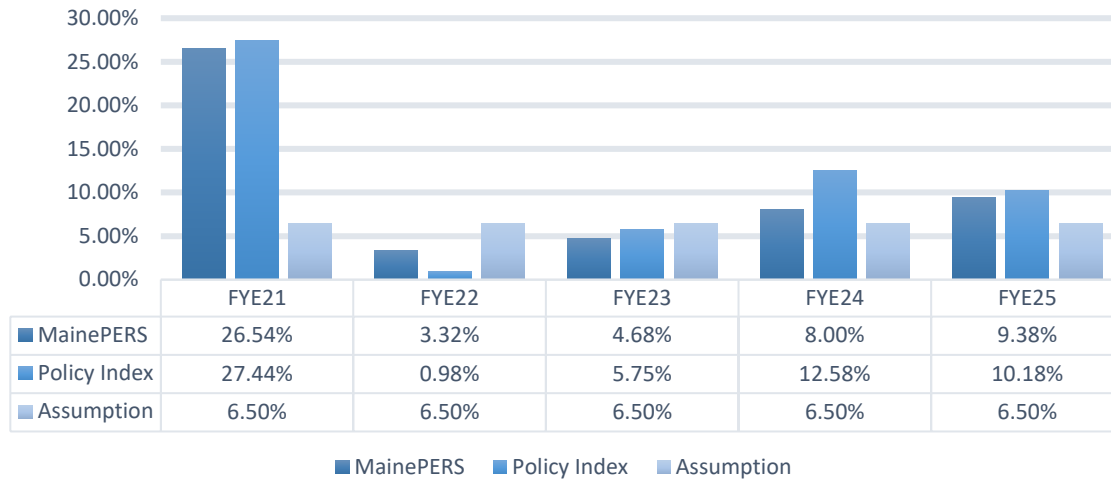
Funding Ratio, Actuarial Liability, and Market Value of Assets State Employee and Teacher Plan



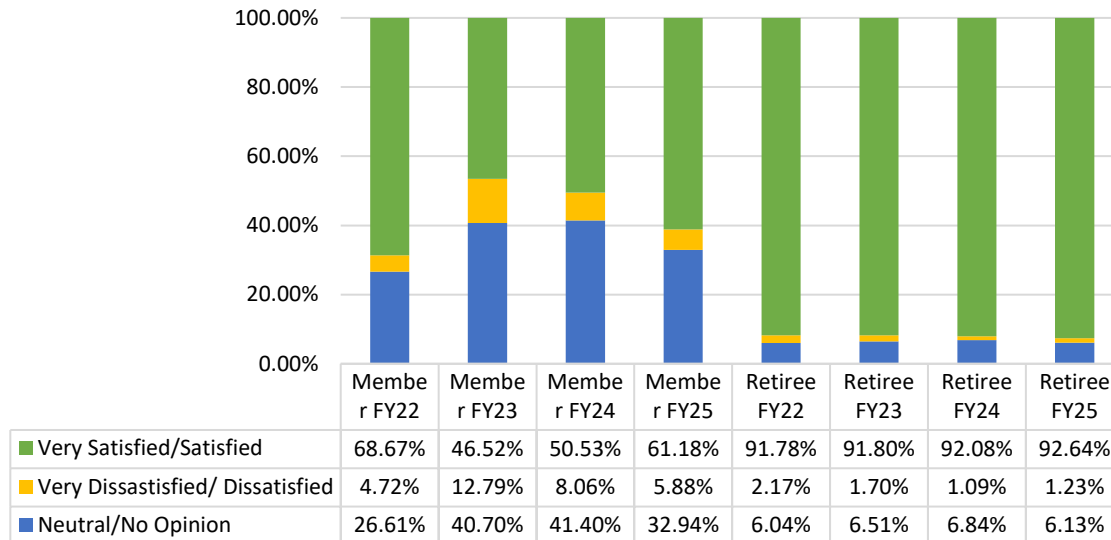
PLD Consolidated Plan



Net Annualized Investment Returns

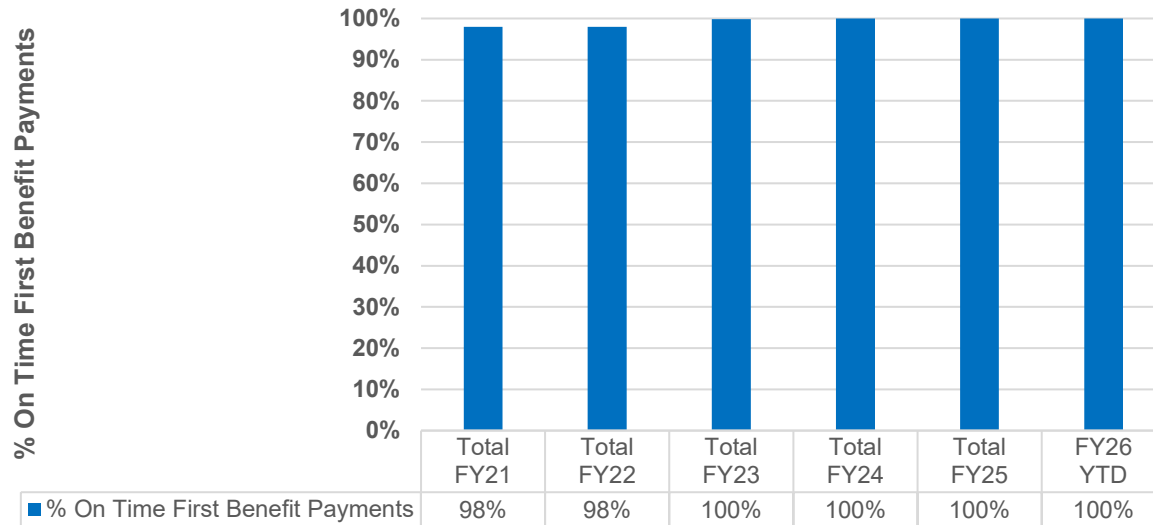


Member Satisfaction

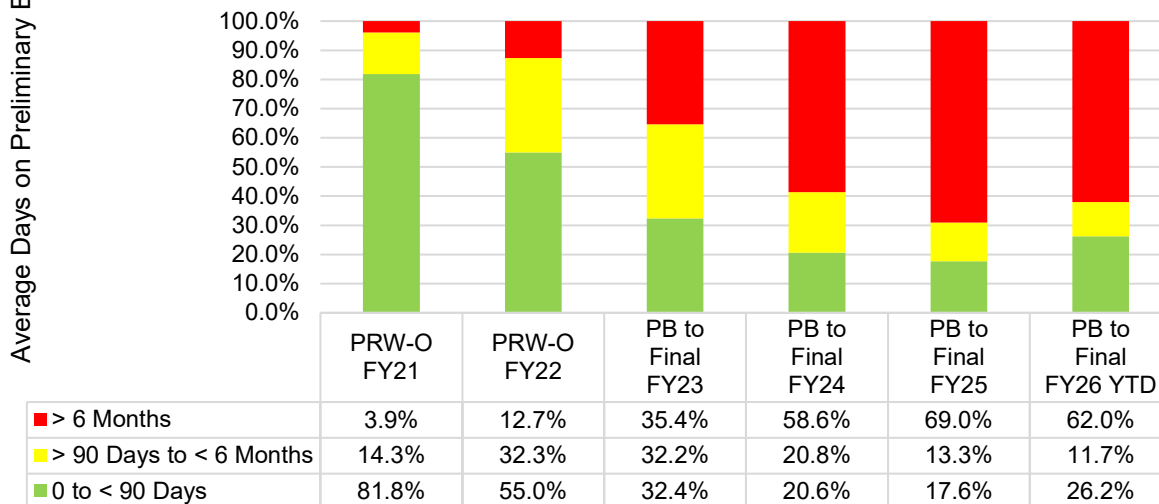


Benefit Initiation

% On Time First Benefit Payments



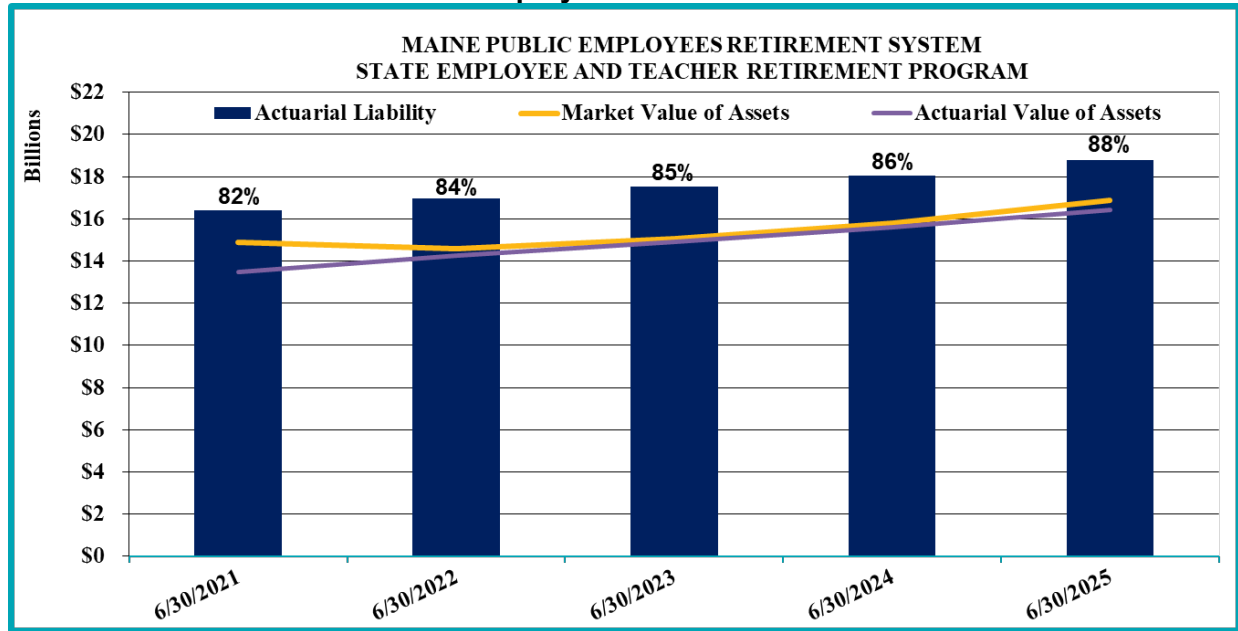
Preliminary Benefit to Final Benefit (Days on Preliminary Benefit)



Key Performance and Risk Measures

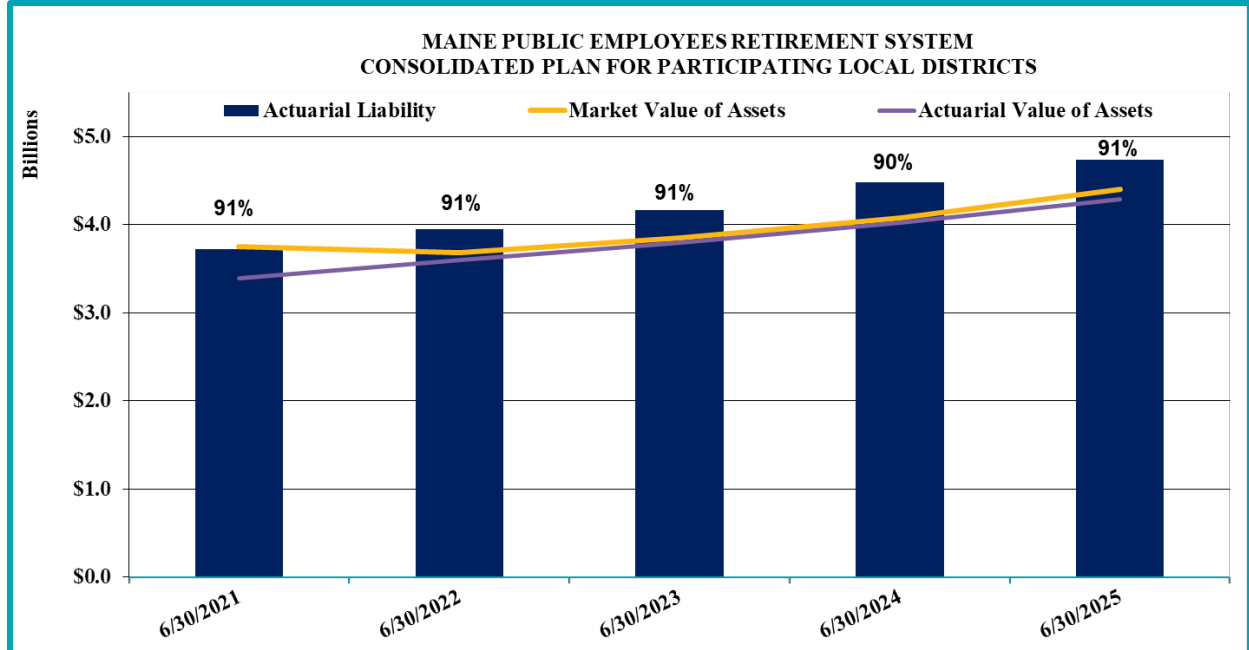
Funding Ratio, Actuarial Liability, and Market Value of Assets

State Employee and Teacher Plan



Fiduciary Net Position, reported here as market value of assets (total assets minus liabilities other than actuarial liabilities), on 6/30/2025 is \$16.9 billion. The funded ratio is based on the actuarial value of assets.

PLD Consolidated Plan



Fiduciary Net Position, reported here as market value of assets (total assets minus liabilities other than actuarial liabilities), on 6/30/25 is \$4.4 billion. The funded ratio is based on the actuarial value of assets.

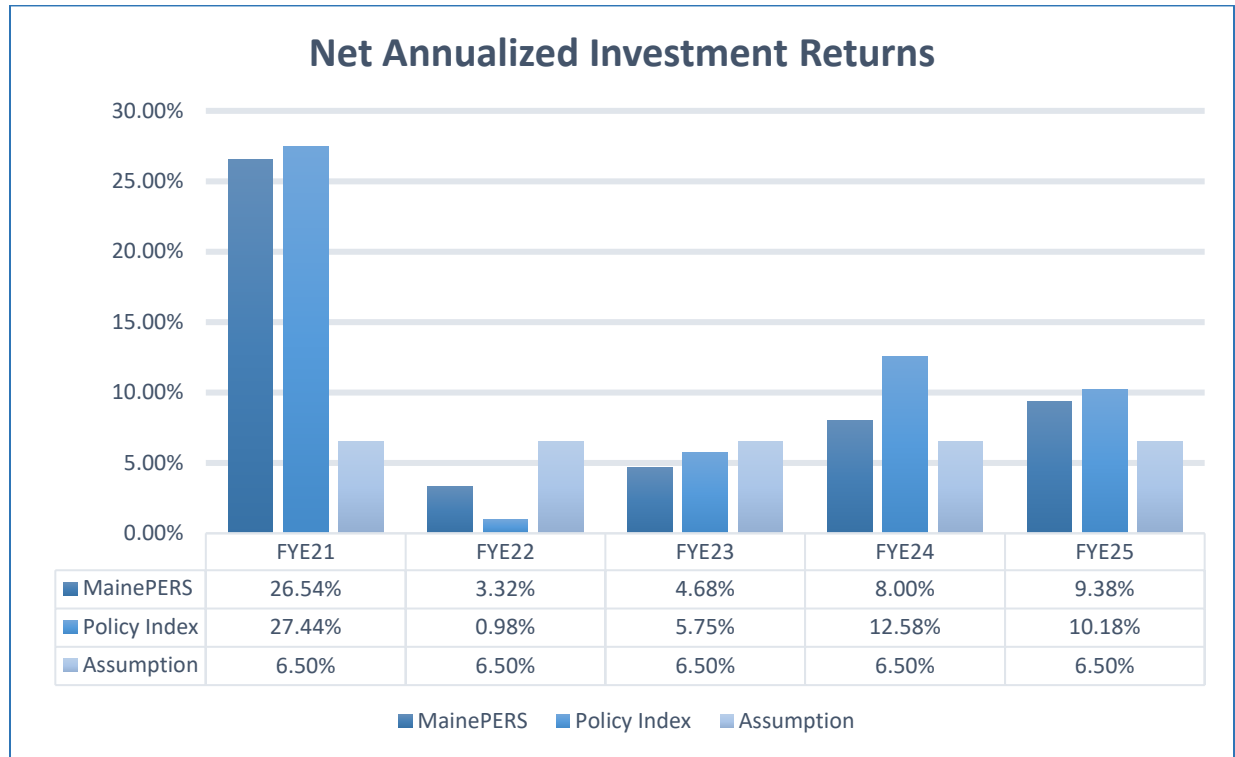
Legislative Plan: funded status is 136% and Fiduciary Net Position is \$18.7 million on 6/30/25.

Judicial Plan: funded status is 109% and Fiduciary Net Position is \$92.8 million on 6/30/25.

The two charts on this page cover key performance and risk measures I, V, and VI under the Strategic Plan.

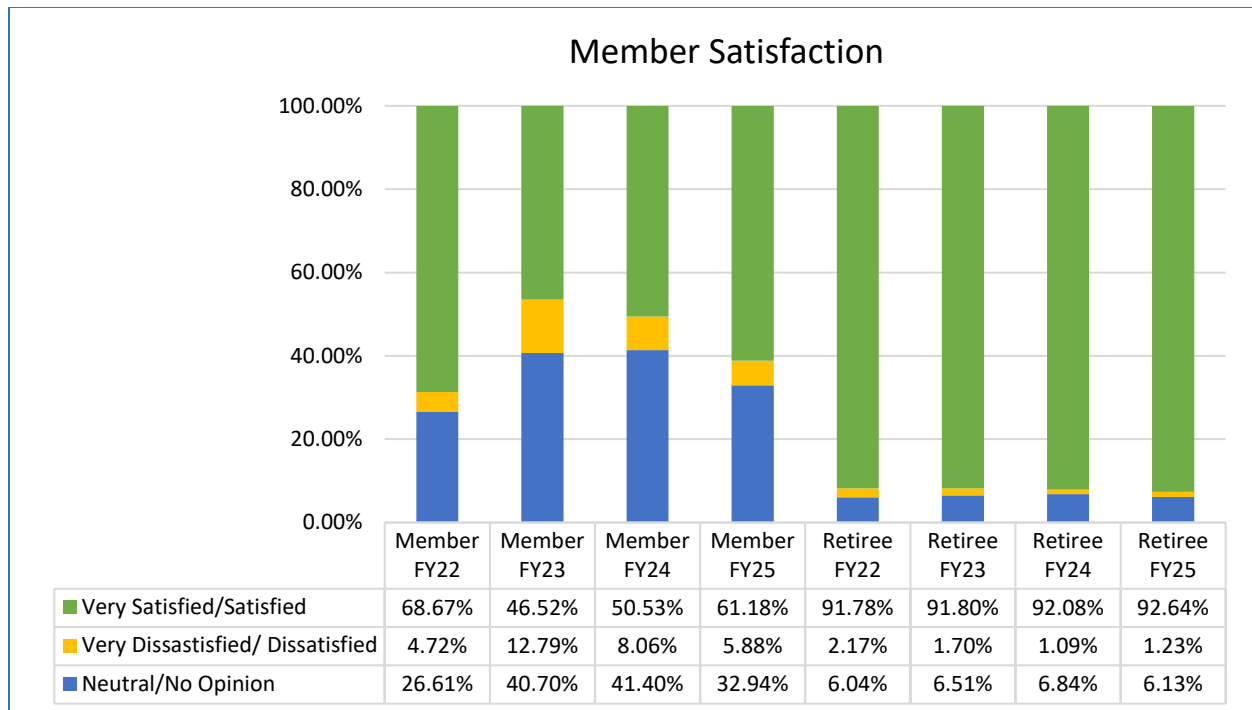
Key Performance and Risk Measures

Net Annualized Investment Returns



This chart covers key performance and risk measure II under the Strategic Plan.

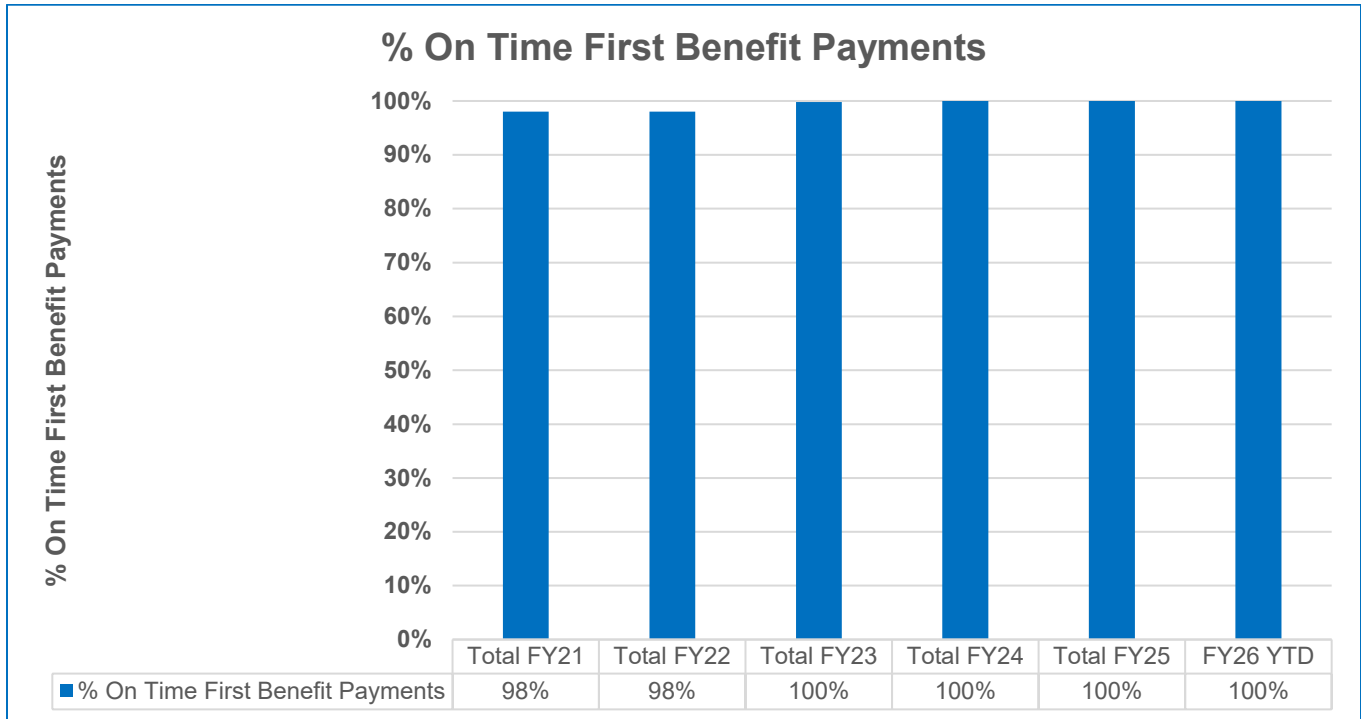
Overall Member Satisfaction



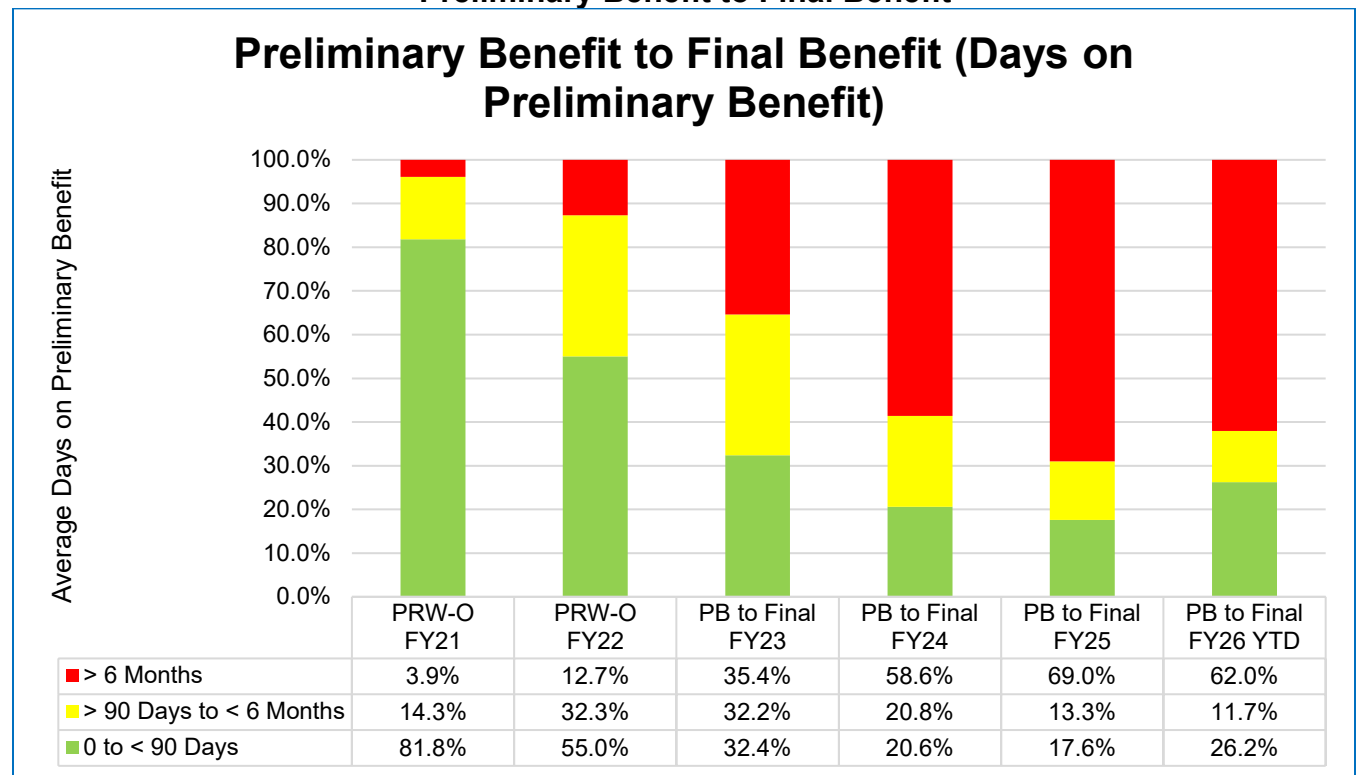
This chart covers key performance and risk measure IV under the Strategic Plan.

Key Performance and Risk Measures

Benefit Initiation



Preliminary Benefit to Final Benefit



This metric changed in FY23 from a measure of how long the Pension Retirement Workflow was open (PRW-O) to a measure of days since the first preliminary benefit payment was made.

The two charts on this page cover key performance and risk measure III under the Strategic Plan.

MAINEPERS

BOARD OF TRUSTEES RULEMAKING MEMORANDUM

TO: BOARD MEMBERS
FROM: NANETTE ARDRY, ASSOCIATE GENERAL COUNSEL
SUBJECT: RULEMAKING UPDATE
DATE: OCTOBER 1, 2025

I. Notices

We do not plan to publish notices to amend additional rules in October.

II. Public Hearings

The October Board meeting does not include any public hearings on rulemaking.

III. Adoptions

The October Board meeting will include Board consideration of:

- Final adoption of a proposed replacement to **Rule Chapter 201** (Reporting by Participating Local Districts and Public Schools), which was provisionally adopted by the Board in September of 2024. The proposed replacement rule would set expectations for payroll reporting, submission of contributions, and payment of Group Life Insurance premiums and provide for late fees and interest. Because the proposed replacement rule includes a fee, it was considered a major substantive rule that required legislative approval. The Legislature reviewed and authorized the proposed replacement Rule 201 for final adoption effective September 24, 2025. Final adoption of the rule must occur within 60 days of the effective date of the legislation approving the rule under 5 MRSA § 8072(8).

- A proposed amendment to **Rule Chapter 406** (Payment or Repayment of Contributions and Interest for the Purchase of Service Credit). The proposed amendment to the rule allows MainePERS members of the State Employee and Teacher Retirement Program and the Participating Local District Consolidated Plan with prior non-military federal employment to purchase up to five years of service credit at actuarial cost consistent with recently passed legislation. A public hearing was held at the September meeting. No comments were received at the public hearing. Written comments on the proposed amendment were received from one member of the public.
- A proposed amendment to **Rule Chapter 506** (Eligibility for Disability Retirement Benefits). This rule sets forth the standards and processes for determining eligibility for disability retirement benefits. The proposed amendments to the rule eliminate the requirement for continuous service before a member can be eligible for disability retirement without meeting pre-existing condition criteria and simplify continued eligibility for disability retirement benefits consistent with statute. Written comments on the proposed amendment were received from two members of the public. No comments were received at the public hearing.
- A proposed amendment to **Rule Chapter 803** (Participating Local District Consolidated Retirement Plan). This rule establishes a consolidated retirement plan as required by 5 M.R.S. §18801 et seq. for local districts that are participating local districts under 5 M.R.S. Chapter 425 and Chapter 427. The proposed amendments include two changes consistent with recently passed legislation: first, to allow PLD members with prior non-military federal service to purchase up to five years of service credit at actuarial cost; and second, to allow the chief administrative office of a PLD to clarify ambiguities in actions taken by the governing body regarding plan participation. The proposed amendments also ensure that 401(a) defined contribution plan elections conform with federal plan qualification requirements and remove an infrequently used and inefficient provision that permits a member retiring early to forgo cost-of-living adjustments (COLA) until they attain normal retirement age. Written comments on the proposed amendment were received from one member of the public. No comments were received at the public hearing.

A copy of each of the proposed rules and basis statements are provided in the Board materials along with any written comments received.

POLICY REFERENCE

[Board Policy 2.3 -- Rulemaking](#)

[Board Policy 4.5 – Board/Staff Relations](#)

[Board Policy 4.6 – Communications and Support to the Board](#)

RECOMMENDATION

That the Board finally adopt replacement Rule Chapter 201 and adopt amended Rule Chapters 406, 506, and 803 and their respective basis statements.

94-411 MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

Chapter 201: EMPLOYER REPORTING AND PAYMENTS

SUMMARY: This Chapter sets out requirements regarding employer reporting and payment of contributions and premiums.

SECTION 1. REPORTING AND PAYMENT REQUIREMENTS

1. **Payroll Reporting.** Every employer reporting unit is required to submit a complete and accurate payroll report to the Maine Public Employees Retirement System (“MainePERS”) within 15 days after the end of each month (“the Due Date”). The report shall contain data relating to all payrolls paid during the calendar month immediately preceding the Due Date and shall be in the format prescribed by the Chief Executive Officer.
2. **Submission of Contributions and Insurance Premiums.** Every employer reporting unit is required by the Due Date to electronically submit in the manner prescribed by the Chief Executive Officer: (1) the employer and employee contributions for the time period covered by the report; and (2) the Group Life Insurance (“GLI”) premiums as invoiced by MainePERS.

SECTION 2. LATE FEES AND INTEREST

1. **Late Fees.** An employer reporting unit that has not submitted a complete and accurate payroll report as determined by the Chief Executive Officer within 30 days after the Due Date may be charged a late fee of \$100 per day calculated from the Due Date until a complete and accurate report has been received by MainePERS. In deciding whether to impose a late fee, MainePERS should consider any extenuating circumstances and the extent to which the employer is making good faith efforts to comply.
2. **Interest.** An employer reporting unit that has failed to pay any employer and employee contributions and GLI premiums required to be paid pursuant to section 1, subsection 2 within 30 days after the Due Date, regardless of whether a complete and accurate payroll report has been submitted, may be charged interest on the amount owed at the then-current actuarial discount rate, compounded monthly, from the Due Date until the amount owed is paid in full. In deciding whether to charge interest, MainePERS should consider any extenuating circumstances and the extent to which the employer is making good faith efforts to comply. Any late fees paid pursuant to subsection 1 must be used to offset any interest obligation arising out of the same payroll period to reduce the employer reporting unit’s overall obligation.

STATUTORY AUTHORITY: 3 M.R.S. § 731(2); 4 M.R.S. § 1231(2); 5 M.R.S. §§ 17103(4), 17203(1), 18053, 18653

BASIS STATEMENT FOR REPEAL AND REPLACEMENT SEPTEMBER 12, 2024

STATEMENT OF COMMENTS:

The proposal for rule-making was noticed on July 17, 2024. A public hearing was held on August 8, 2024. No members of the public provided oral comments at the public hearing. One member of the public submitted written comments prior to the August 19, 2024 comment deadline. A public hearing was previously held on this rule on May 9, 2024, and members of the public submitted oral and written comments as part of that rulemaking process. The current proposed rule includes changes made based on comments submitted as part of the prior rulemaking. The Board did not adopt that proposed rule and at the advice of Board Counsel, entered into a new rulemaking process as a major substantive rule since it implements a fee to employers.

This rule governs payroll reporting by employers. The current rule has not been amended since it was adopted in 1985. The proposed rule repeals and replaces the current rule. The replacement rule sets expectations for payroll reporting, submission of contributions, and payment of Group Life Insurance premiums and provides for late fees and interest when established deadlines are not met.

As part of the earlier rulemaking, one member of the public¹ who provided both oral and written comments stated three specific concerns: (1) the reporting deadline is the same regardless of the size of the employer; (2) the reporting deadline is the same regardless of time of year and resulting workloads; and (3) the length of time that it sometimes takes for MainePERS representatives to provide assistance in resolving errors. The commenter suggested that consideration should be given to employers in specific circumstances such as during peak work periods or during absences due to illness of payroll staff. The commenter also inquired as to whether fees and interest would apply in situations where the delay is caused by circumstances out of their control or when the established validation processes do not catch errors. Finally, the commenter inquired as to whether the Group Life Insurance billing could be made available earlier than under current processes.

One member of the public² emphasized the importance of taking the time to report accurate information rather than risking inaccuracies to meet a deadline. The commenter also raised a concern that the proposed rule might be a disincentive to employers to engage in a partnership with MainePERS to ensure accurate reporting. The commenter also asked that the rulemaking be paused so that consideration could be given as to how MainePERS could engage in dialogue with large and small employers to identify challenges and collective solutions for employers to be able to process timely payrolls.

One member of the public³ submitted written comments in support of the need for employers to correctly report member information and for MainePERS to maintain correct member records. This commenter used their individual circumstances to demonstrate the importance of accurate records. This same member of the public submitted written comments in response to the current proposed rulemaking that: 1) reiterated prior comments; 2) suggested that employees should have more input into and access to records related to their employment and retirement credits records and that such access would improve accuracy; 3) suggested that fines be imposed whenever reporting deadlines are not met regardless of the circumstances; and 4) suggested that a communication and/or appeal process be established for use by employees impacted by reporting matters.

One member of the public⁴ commented on the complexities of the current reporting system for the small unit for which they report. The commenter also raised a concern that employers will be required to remit payments electronically, indicating that doing so would be challenging for them as a small organization.

¹ Sarah Pinault, Payroll Specialist, South Portland School Department

² Ryan Scallon, Superintendent, Portland Public Schools

³ Helen McDonald, retiree, Waterville

⁴ Rachel Dyer, Associate Director, Maine Developmental Disabilities Council

The commenter also suggests that changing the way that MainePERS bills for Group Life Insurance would ease some administrative burden.

In response to the comments, it is important to acknowledge that timely and accurate payrolls are critical in order for MainePERS to provide accurate and timely information to members, and it is not unreasonable to expect employers to be both accurate and timely in their payroll reporting. When payrolls are not filed and contributions are not received, members who want to refund or retire are impacted and are unable to receive complete information for planning their financial future and may suffer delays as a result of those missing payrolls or contributions.

In further response to the comments received, MainePERS recognizes the challenges that employers face with staff turnover and staff shortages. To assist employers in addressing those challenges, MainePERS has an Employer Reporting Unit with staff whose dedicated responsibilities are to work with employers to assist in the processing of payrolls and other required information. Each employer is assigned an Account Associate as their contact to resolve any issues that they encounter. The Unit also has a Training Specialist who works with employers to ensure that their staff have the information necessary to successfully process MainePERS payrolls. MainePERS also provides virtual employer training, issues *Employer Updates* and has a dedicated webpage for information for employers. Despite all of those efforts, MainePERS recognizes that specific circumstances may arise with an employer that results in unavoidable delays in the processing of payrolls.

Based on consideration of the comments received as part of the earlier rulemaking, language was included in the new replacement rule that MainePERS should consider any extenuating circumstances and the extent to which the employer is making good faith efforts to comply with the reporting requirements when determining whether to charge late fees or interest. Language was also added that any late fees paid would be used to offset any interest obligation arising out of the same payroll period.

In response to the comments received after the rule was re-noticed for rulemaking, the System cannot require employers to provide employees access to work records maintained by the employer. The System provides information related to a member's retirement account annually or upon request by the member. Regarding imposing a fine regardless of circumstances for a late filing, the new language reflects prior comments received and acknowledges that employers encounter circumstances beyond their control that impact their ability to timely file reports. The current language results in the employer communicating with the System to reach a resolution, and staff believes this partnership to be important for both employers and members. Finally, regarding the establishment of an appeals process, such a process already exists as it relates to matters administered by MainePERS.

After consideration of comments received as part of the current rulemaking, staff does not recommend any additional changes to the rule. The Board concurs with this recommendation.

At the Board's regular meeting held on September 12, 2024, Nathan Burnett made the motion, seconded by Kirk Duplessis, to provisionally adopt the replacement rule and its basis statement. Voted unanimously in favor by all trustees present.

By Resolves 2025, ch. 109, the Legislature authorized final adoption of the replacement rule.

At the Board's regular meeting held October 9, 2025, _____ made the motion, seconded by _____, to finally adopt the replacement rule and its basis statement. Voted _____.

STATE OF MAINE

—
IN THE YEAR OF OUR LORD
TWO THOUSAND TWENTY-FIVE

—
H.P. 53 - L.D. 89

**Resolve, Regarding Legislative Review of Chapter 201: Employer Reporting
and Payments, a Major Substantive Rule of the Maine Public Employees
Retirement System**

Sec. 1. Adoption. Resolved: That final adoption of Chapter 201: Employer Reporting and Payments, a provisionally adopted major substantive rule of the Maine Public Employees Retirement System that has been submitted to the Legislature for review pursuant to the Maine Revised Statutes, Title 5, chapter 375, subchapter 2-A, is authorized.

94-411 MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM**Chapter 406: PAYMENT OR REPAYMENT OF CONTRIBUTIONS AND INTEREST FOR THE PURCHASE OF CREDITABLE SERVICE**

SUMMARY: This Chapter provides the requirements for members to pay or repay contributions and applicable interest for the purchase of creditable service and sets the basis for granting creditable service when a member has made the required payment.

SECTION 1. DEFINITIONS

1. **Current employer.** “Current employer” means:
 - A. The same Maine Public Employees Retirement System (“MainePERS”) employer as the one by which the member is currently employed; or
 - B. For State employees and teachers (as defined in 5 M.R.S. §§ 17001(40) and 17001(42), respectively), the State of Maine or a Maine public school; or
 - C. For a Legislator, as defined in 3 M.R.S. §701(11), the Legislature; or
 - D. For a Judge, as defined in 4 M.R.S. §1201(12), the Maine Judicial Branch; or
 - E. For a participating local district (PLD) employee employed in a PLD in the Consolidated Plan, any PLD that is in the Consolidated Plan.
2. **Previous employer.** “Previous employer” means any employer who is not the “current employer” as defined in subsection 1.
3. **Lump sum payment.** “Lump sum payment” means a one-time payment made by a member in an amount that is equal to the total amount owed for all service available in a given category, as set forth in Section 2.
4. **Partial payment.** “Partial payment” means a payment made by a member in an amount that is less than the total amount owed for all service available in a given category, as set forth in Section 2.

SECTION 2. CATEGORIES OF CREDITABLE SERVICE

The categories of creditable service are:

1. Back time, which is service with an employer, as a state employee, teacher, or participating local district employee, when the employee was not a member of the System and, therefore, did not make contributions.

2. Refunded contributions from “current employer,” which is service with a member's “current employer” when the employee was a member of the System and made contributions that were refunded when the member terminated employment or membership.
3. Refunded contributions from “previous employer” or employers, which is service with a member's previous employer or employers when the employee was a member of the System and made contributions that were refunded when the member terminated employment or membership. If a member has had refunds representing contributions for service with more than one “previous employer”, the refund relating to each “previous employer” is a separate category for the purposes of this chapter. A member who is eligible to purchase creditable service under Category 2 (“current employer” refund) must purchase that service before purchasing service under this category.
4. Service in the armed forces, which is service in the armed forces of the United States before becoming a member of the System.
5. Out-of-state service, which is service by a member in another state in a category of employment that is eligible for membership in the public employee or teacher retirement system of that state.
6. Other service, which is several other categories of creditable service available for purchase, all of which require that the cost of purchasing the service is the amount of the actuarial equivalent, at the effective date of the retirement benefit, of the additional benefit attributable to the additional creditable service to be purchased, as follows:
 - A. Out-of-state service of a member that is not allowed under 5 M.R.S. §§ 17754(1) and 18354(1), but is allowed under 5 M.R.S. §§ 17754(2) and 18354(2);
 - B. Service as a teacher in a private or parochial school that is not allowed under 5 M.R.S. §§ 17763(1) and 18362(1), but is allowed under 5 M.R.S. §§ 17763(4) and 18362(1-A);
 - C. Service in Vista, the Peace Corps, the Fulbright Exchange Program or the Head Start Program in Maine;
 - D. Service as a teacher in schools for children of U.S. Foreign Service Corps or U.S. Armed Forces personnel outside the continental United States;
 - E. Employment as a teacher’s aide or Educational Technician I, whether or not such employment was as a MainePERS member and when, subsequent to such employment, the person becomes a teacher member;
 - F. Unused accrued or accumulated sick leave, unused vacation leave, or a combination of both, which exceeds 90 days and for which the member is credited on termination of service;
 - G. The period of service during which a member took an unpaid or partially paid educational leave pursuant to the Maine Educational Leave Act;

- H. CETA service of a member that is not allowed under 5 M.R.S. §§ 17707(4)(C) and 18308(4)(C), but is allowed under 5 M.R.S. §§ 17707(4)(D) and 18308(4)(D);
 - I. The period of service during which an elected official, an official appointed for a fixed term, or a substitute teacher who began membership after December 31, 1985, elected not to be a member of the MainePERS; and
 - J. The period of service prior to July 1, 1976 during which a member performed any work as a teacher of a child with a disability.
 - K. Service in the armed forces that is allowed under 5 M.R.S. §§ 17760(5) and 18360(2)(I).
 - L. Service as a full time law enforcement officer prior to becoming a MainePERS member that is allowed under 5 M.R.S. §§ 17767 and 18363.
 - M. Service as a nonmilitary public employee of the United States government prior to becoming a MainePERS member that is allowed under 5 M.R.S. §§ 17759-A and 18364.
- 7. Service while receiving Workers' Compensation benefits, which is service during the period in which a member who was employed in a MainePERS-covered position received Workers' Compensation benefits from which MainePERS contributions were not deducted.
 - 8. Service in a parochial school or public or private academy.
 - 9. Service for days off without pay that result from employer budgetary actions.
 - 10. Service of a Participating Local District member who is in service when district participation begins.

SECTION 3. METHOD OF PAYMENT

The member must designate which category of creditable service is to be purchased. A member purchasing creditable service through partial payments who is eligible to purchase creditable service in more than one category must complete payment for the first designated category before beginning payment on the next category.

A member may purchase creditable service by lump sum or through partial payments as follows:

- 1. **Lump sum payment.** By making a single lump sum payment to the MainePERS at any time, subject to the provisions of subsection 3, of all principal and interest owed for all creditable service the member is eligible to purchase in any category of creditable service; or
- 2. **Partial Payments**
 - A. **Payroll Deduction.** By making an increased rate of contribution to MainePERS through payroll deduction, subject to the following provisions:

- (1) The minimum payroll deduction amount is \$50.00 per month, or the amount as established in subparagraph (2), whichever is greater.¹
- (2) The cost for the purchase of creditable service through payroll deduction will be amortized over a period ending on a date determined by the member, not to exceed ten years, or on the last day of the month preceding the normal retirement age of the member, or on the last day of the month preceding the member's anticipated retirement date, whichever is earlier.
- (3) The member may change the specific payroll deduction amount, to an amount that is not less than the minimum payment amount as established in subparagraph (1), no more than once quarterly. The System will adjust either the amortization schedule or the amount of creditable service accordingly.
- (4) In the event of a change in the rate of regular interest applied to the amount due, the System will:
 - (a) in the case of a decrease in the interest rate, adjust the amortization period accordingly; or
 - (b) in the case of an increase in the interest rate, adjust the amount of creditable service purchased accordingly, based on the original amortization period.
- (5) The member may start or stop a payroll deduction authorization no more than once quarterly. If the member elects to stop an authorized payroll deduction, and subsequently elects to restart the payroll deduction, the member must submit a new authorization. The required payroll deduction will be recalculated under this paragraph to include any additional interest that has accrued.
- (6) The member may also make periodic payments under the provisions of paragraph B toward the same category of service for which the member is making payments through payroll deduction.

B. **Periodic Payments.** By making a payment to MainePERS at any time of a portion of the principal and interest owed for all creditable service the member is eligible to purchase in any category of creditable service.

- (1) The minimum periodic payment is \$50.00 or, if the member is making payment only through periodic payments as provided in this paragraph, the amount as established in subparagraph (3), whichever is greater.
- (2) Periodic payments may be made no more than once per month.

¹ For members purchasing creditable service through payroll deduction prior to the effective date of this rule, the minimum payroll deduction amount is \$25.00 per month.

- (3) The cost for the purchase of creditable service through periodic payments will be amortized over a period ending on a date determined by the member, not to exceed ten years, or on the last day of the month preceding the normal retirement age of the member, or on the last day of the month preceding the member's anticipated retirement date, whichever is earlier.
- (4) The member may change the periodic payment amount, to an amount that is not less than the minimum amount as established in subparagraph (1), no more than once quarterly. The System will adjust the amortization schedule or creditable service, accordingly.
- (5) In the event of a change in the rate of regular interest applied to the amount due, the System will adjust the amortization period or amount of creditable service accordingly.
 - (a) in the case of a decrease in the interest rate, adjust the amortization period accordingly; or
 - (b) in the case of an increase in the interest rate, adjust the amount of creditable service purchased accordingly, based on the original amortization period.
- (6) The member may also make payroll deductions under the provisions of paragraph A toward the same category of service for which the member is making periodic payments.

3. Time Limits

Principal and interest payments for the purchase of creditable service must be made prior to the date the retirement allowance becomes effective, or credit will be granted for only the portion of time paid.

Payments may be made after the effective date of retirement provided that:

- A. The member initiates a cost inquiry prior to retirement, but MainePERS has not received sufficient information to verify the service prior to the effective date of retirement; and
- B. Payment is made within ten (10) business days of written notification to the member of the availability of the additional service. MainePERS will adjust the amount of the retirement allowance as of the first day of the month following the date on which MainePERS receives the payment.

SECTION 4. NO RECISSION OF PURCHASE OF CREDITABLE SERVICE

A member who purchases creditable service may not rescind the purchase of that service nor receive a refund of the payment or payments made towards that purchase unless the member takes a refund of all member contributions under the provisions of 3 M.R.S. §805-A, 4 M.R.S. §1305-A, or 5 M.R.S. §§ 17705-A or 18306-A.

SECTION 5. NO PAYMENT BY BENEFICIARY

After the death of a member, no payment may be made by a beneficiary of the member to purchase additional creditable service.

SECTION 6. GRANTING OF CREDITABLE SERVICE

1. When a member requests the cost to purchase creditable service in any category of creditable service except Category 6, "Other service," the System will determine the contributions and applicable interest required to purchase all creditable service that the member is eligible to purchase in each selected category. At the time the balance due is determined, the total creditable service the member is eligible to purchase in each category will also be determined and recorded. Upon making a payment under Section 3, the member will be granted creditable service as follows:
 - A. **Lump Sum Payment.** When a member makes a lump sum payment, the member will be granted all of the creditable service in the selected category.
 - B. **Partial Payments.** Calculation and granting of creditable service based upon partial payments will be as follows:
 - (1) When a member makes a partial payment, the payment will first be applied toward any applicable Survivor Benefit and Retirement Allowance Adjustment contributions due. In order to determine the amount of creditable service to be granted to the member as a result of the payment, the percentage of the balance of the employee contributions due that the payment represents will be determined and the same percentage will be applied to the total creditable service available for purchase.
 - (2) Upon request by the member, the System will provide the member with a statement that includes the remaining balance due, the total creditable service the member is eligible to purchase and the amount of creditable service that the member has purchased.
2. When a member requests the cost to purchase creditable service in Category 6, "Other service," a calculation will be made to estimate the actuarial cost of purchasing all creditable service in that category. At the time the balance due is determined, the total creditable service the member is eligible to purchase will also be determined and recorded. Upon making a payment under Section 3, the member will be granted creditable service as follows:
 - A. **Lump Sum Payment.** If, prior to the final calculation of a retirement benefit, a member makes a single lump sum payment in an amount equal to the total estimated amount owed, as determined in subsection 2, the member will be notified that the cost will be recalculated as of the member's retirement date, and the member will be notified in writing if there is an additional amount due at retirement. The member will have a choice of paying the additional amount or receiving pro rata credit.

-
- B. **Partial Payments.** Calculation and granting of creditable service based upon partial payments will be as follows:
- (1) When a member makes a partial payment, the new balance due will be determined, but no creditable service will be granted at that time.
 - (2) The cost will be recalculated as of the member's retirement date, and the member will be notified in writing if there is an additional amount due. The member will have a choice of paying the additional amount or receiving pro rata credit.
- C. Creditable service purchased under Section 2 will be granted upon the member's retirement.
- D. Upon request by the member, the System will provide the member with a statement that includes the estimated remaining balance due.
-

STATUTORY AUTHORITY:

3 M.R.S. §805-A, 4 M.R.S. §1305-A, 5 M.R.S. §§ 17103(4), 17657, 17658, 17701, 17703, 17704-C, 17705-A, 17707, 17752, 17753, 17754, 17756, 17757, 17759, 17760, 17761, 17763, 17763-A, 17764, 17765, 17766, 17767, 18301, 18305-B, 18306-A, 18308, 18353, 18354, 18357, 18358, 18360, 18362, and 18363.

EFFECTIVE DATE:

March 12, 1983

AMENDED:

September 2, 1990
October 7, 1991 (EMERGENCY - expired January 5, 1992)
April 1, 2001

EFFECTIVE DATE (ELECTRONIC CONVERSION):

May 5, 1996

NON-SUBSTANTIVE CORRECTIONS:

October 2, 1996 - minor spelling and format.

REPEALED AND REPLACED:

August 30, 2010 – filing 2010-376

AMENDED:

November 4, 2019 – filing 2019-188

APAO WORD VERSION CONVERSION (IF NEEDED) AND ACCESSIBILITY CHECK: July 17, 2025

BASIS STATEMENT FOR ADOPTION OCTOBER 9, 2025/STATEMENT OF COMMENTS

Notice of this proposed rulemaking was published August 20, 2025. This rule sets forth the requirements for members to purchase or repurchase creditable service. The proposed amendments to the rule allow Maine Public Employees Retirement System members of the State Employee and Teacher Retirement Program and the Participating Local District Consolidated Plan with prior federal employment to purchase up to five years of service credit at actuarial cost. The proposed amended rule implements PL 2025, c. 206.

A public hearing was held September 11, 2025. No members of the public offered testimony at the hearing either in person or remotely. One member of the public¹ offered written comments in opposition to the proposed amended rule. The commenter voiced concern about timeliness of fulfillment of Freedom of Access requests as a statutory obligation. The commenter expressed concern about the potential impact of errors or delays in the processing of service credit purchase requests. The commenter requested delay of the implementation of the proposed amended rule until the demonstration of improvement in: a) training and staffing for Rule Chapter 406, b) compliance with Freedom of Access, and c) independent actuarial oversight.

MainePERS is in compliance with its Freedom of Access obligations, which in any event are unrelated to the purchase of service credit. MainePERS already administers various categories of service credit purchases and must administer this new category to comply with statute. No specific instances of errors or delays in the processing of service credit purchases were cited by the commenter. Delay of implementation of Rule Chapter 406, is in opposition to the unanimous enactment of PL 2025, c. 206 by Legislature.

Based on consideration of the comments received, staff recommends no changes to the proposed amended rule.

The Board concurs with this recommendation.

At the Board's regular meeting held on October 9, 2025, _____ made the motion, seconded by _____ to adopt the amendment to the rule and its basis statement. Voted _____.

¹ Wendy Fenderson, Limerick

From: [Wendy Fenderson](#)
To: [RuleMaking](#)
Subject: Comments on Proposed Rulemaking – Chapter 406: Payment or Repayment of Contributions and Interest for the Purchase of Creditable Service
Date: Thursday, August 21, 2025 2:07:51 PM

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Wendy L. Fenderson



August 21, 2025

Maine Public Employees Retirement System

Attn: Rulemaking

P.O. Box 349

Augusta, ME 04332

rulemaking@mainepers.org

Re: Comments on Proposed Rulemaking – Chapter 406: Payment or Repayment of Contributions and Interest for the Purchase of Creditable Service

To Whom It May Concern:

I submit the following comments regarding the proposed amendments to Chapter 406. While the intent of expanding opportunities for members to purchase service credit may benefit some, the proposed changes raise concerns given MainePERS' current operational limitations.

1. Capacity and Compliance

MainePERS has struggled to meet existing statutory obligations, including compliance with the Freedom of Access Act. Numerous requests have gone unfulfilled for extended periods of time, reflecting inadequate staffing and training. If the agency cannot fulfill baseline transparency obligations, it is questionable whether it can effectively manage new, more complex responsibilities under this rule.

2. Risks to Members

Errors or delays in processing creditable service purchases could lead to inaccurate actuarial costs, inequitable treatment of members, or harmful financial consequences—particularly for members nearing retirement who rely on accurate information to make irreversible decisions.

3. Need for Oversight

Before implementing additional categories of service purchases, MainePERS should demonstrate measurable improvements in:

- Training and staffing of personnel administering Chapter 406.
- Timely compliance with FOAA and other statutory obligations.
- Independent oversight to ensure actuarial calculations are applied consistently and lawfully.

Recommendation: Adoption of this amendment should be postponed until MainePERS demonstrates operational improvements in transparency, compliance, and staffing capacity. Expanding responsibilities without addressing these systemic issues risks undermining member trust and the integrity of the retirement system.

Thank you for the opportunity to comment.

Respectfully,

Wendy L. Fenderson

Limerick, Maine

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94-411 MAINE STATE RETIREMENT SYSTEM

Chapter 506: ELIGIBILITY FOR DISABILITY RETIREMENT BENEFITS

SUMMARY: This chapter sets forth the standards and processes for determining eligibility for disability retirement benefits.

SECTION 1. DEFINITIONS

1. **Consistent with the person's training, education, or experience.** "Consistent with the person's training, education, or experience" has the same meaning as "qualified by training, education or experience." A member may be qualified by training, education, or experience to engage in an activity even if the member has not previously engaged in it or has not engaged in it for pay. The fact that the member may need additional training for a specific position does not mean that the position is inconsistent with the member's training, education, or experience.
- ~~2. **Continuous creditable service.** "Continuous creditable service" means a period of membership service that occurs without any break in excess of 30 days. A period of leave under the federal Family Medical Leave Act where the member returned to the employment position at the end of the leave period does not constitute a break in membership service.~~
- ~~3.2.~~ **Date of incapacity.** "Date of incapacity" means the date when a member stopped performing the essential functions of the member's employment position due to functional limitations caused by a mental or physical condition.
- ~~4.3.~~ **Earnings.** "Earnings" means wages, tips, and other compensation from employment that is reported as Medicare wages and tips on federal W-2 tax forms and income that is reported on federal self-employment tax schedules as subject to self-employment tax.
- ~~5.4.~~ **Employment position.** "Employment position" means the position in which the member is employed at the time the member becomes incapacitated or a position that is made available to the member by the member's employer that is of comparable stature and equal or greater compensation and benefits and located within a reasonable commuting distance from the member's residence.
- ~~6.5.~~ **Existed before membership.** A condition "existed before membership" if, as of the member's initial membership date, the condition:
 - A. Had been diagnosed by a health care provider;
 - B. Reasonably should have been diagnosed by a health care provider based on the member's medical records and symptoms and the results of any additional tests the provider reasonably should have requested;
 - C. Had exhibited some, but not all signs and symptoms necessary for a diagnosis, but later manifested all such signs and symptoms and was diagnosed; or

- D. Was directly caused by another condition that was diagnosed or reasonably should have been diagnosed before membership.
- ~~7.6.~~ **Incapacity.** “Incapacity” means unable to perform the essential functions of the member’s employment position with reasonable accommodation due to functional limitations caused by a mental or physical condition.
- ~~8.7.~~ **In service.** A member is “in service” if the member has not terminated employment and is receiving compensation for rendering services, including through the use of the member’s own accrued leave time.
- ~~9.8.~~ **Mental or physical condition.** A “mental or physical condition” is a condition affecting the member mentally or physically that is medically diagnosable.
- ~~10.9.~~ **Permanent.** “Permanent” means:
- A. the incapacity is likely to continue for the foreseeable future;
 - B. the member has reasonably pursued appropriate treatment options; and
 - C. those treatment options have not resolved the incapacity.
- ~~11.10.~~ **Reasonable accommodation.** “Reasonable accommodation” has the same meaning as that phrase does under the federal Americans with Disabilities Act, 42 U.S.C. §12111(9).
- ~~12.11.~~ **Reasonable commuting distance.** “Reasonable commuting distance” means a distance of less than 60 miles that would be reasonable for the member to commute based on the facts and circumstances, including the cost of commuting, the compensation of the employment position, the member’s commuting history, and typical commuting distances where the member resides.
- ~~13.12.~~ **Substantially gainful activity.** “Substantially gainful activity” means any combination of activities, tasks, or efforts, with any reasonable accommodations, for which the member is qualified by training, education, or experience that would generate annual income in an amount in excess of the substantially gainful activity amount in the labor market for the member’s state of residence.
- ~~14.13.~~ **Substantially gainful activity amount.** “Substantially gainful activity amount” means \$20,000 or 80% of the member’s average final compensation, whichever is greater, adjusted by any cost of living adjustments required by statute or rule.

SECTION 2. INITIAL ELIGIBILITY

1. **Standards.** A member is eligible for disability retirement benefits if the member has a permanent incapacity while in service, subject to the following additional requirements where applicable:
 - A. If the member had less than five years of ~~continuous~~ creditable service as of the member’s last date in service, the incapacity must not result from a condition that existed before membership unless the incapacity has been caused or substantially aggravated by

an injury or accident received in the line of duty from events or circumstances not usually encountered within the scope of the member's employment.

- (1) Events or circumstances are usually encountered within the scope of the member's employment if they are described in the job description for the member's position or are otherwise typically encountered one or more times during the career of a person in a position like the member's.

- B. If at least two years have passed since the member's date of incapacity, the member must be unable to engage in any substantially gainful activity due to functional limitations caused by the mental or physical condition.

2. Use of the medical review service provider and independent medical examinations

- A. The permanent incapacity may be revealed by an independent medical examination (IME), but the Chief Executive Officer may grant benefits without an IME and, if qualification is clear to a lay person, may grant benefits without use of the medical review service provider.
- B. The Chief Executive Officer may deny benefits without use of the medical review service provider or an independent medical examination on non-medical grounds, including:
 - (1) The applicant was not in service at the time the applicant claims the incapacity began;
 - (2) The applicant is in an age-restricted plan and performed the essential functions of the employment position after normal retirement age;
 - (3) The claimed incapacity has existed for more than two years and the applicant has earned more than the substantially gainful activity amount in one or more years during this time;
 - (4) The applicant is uncooperative or unresponsive in providing essential information needed to process the application; or
 - (5) The applicant has already been denied benefits on the same condition and last date in service.
- C. The Chief Executive Officer may not otherwise deny benefits without an IME unless the IME is waived by the applicant.

3. Determination of inability to perform the essential functions of the employment position with reasonable accommodation

- A. A member is not unable to perform the essential functions of the employment position if the member could do so with one or more reasonable accommodations.
- B. When a member is incapacitated by more than one mental or physical condition, any permanent functional limitations caused by the conditions will be considered in totality as part of a whole-person approach to determine whether the limitations make the member

unable to perform the essential functions of the employment position with reasonable accommodation.

- C. If MainePERS determines that one or more reasonable accommodations would more likely than not allow a member to perform the essential functions of the employment position, MainePERS will communicate the reasonable accommodations in writing to the member and the employer prior to issuing a decision on eligibility for disability retirement, including, where applicable, a request to the employer that it provide the identified reasonable accommodations.
 - (1) **Employer acceptance or refusal.** The employer shall inform MainePERS whether it will provide the requested reasonable accommodations. If the employer refuses because the member no longer is employed, the employer shall inform MainePERS whether the employer offered or would have provided the reasonable accommodations if requested during employment. MainePERS will communicate any information received from the employer to the member, and the member will be provided an opportunity to rebut the employer's information.
 - (2) **Member acceptance or refusal.** If the member has not terminated employment and the employer will provide the reasonable accommodations, the member shall inform MainePERS whether the member will attempt to perform the essential functions of the employment position with the reasonable accommodations. The member may provide evidence to MainePERS that the employer has refused to make the reasonable accommodations or that they would not permit the member to perform the essential functions of the employment position.
 - (3) **Final determination.** After employer or member refusal or the failure of a good faith attempt to perform the essential functions of the employment position with reasonable accommodation, MainePERS shall make a decision on the member's application for disability retirement.
4. **Application of disabled veteran presumption.** A member seeking application of the disabled veteran presumption pursuant to 5 M.R.S. §§ 17924 or 18524, based on a determination of individual unemployability must authorize release of information from the U.S. Department of Veterans Affairs as requested by MainePERS in addition to cooperating in providing other essential information needed to process the disability retirement application.

SECTION 3. REVIEWS FOR CONTINUING ELIGIBILITY

1. **Scheduling of reviews.** A disability retiree may be reviewed for continuing eligibility for disability retirement benefits in the following circumstances:
 - A. The retiree has not yet had a determination that they are unable to engage in any substantially gainful activity for which they are qualified by training, education or experience and at least two years have passed since the date of the determination that the retiree is eligible for disability retirement benefits; or
 - B. Earnings or other information about a retiree's activities received by MainePERS show that the retiree may have capacity to engage in substantial gainful activity and at least one year has passed since any previous review.

2. **Cooperation with review.** A retiree subject to review under subsection 1 must cooperate in providing information to MainePERS, including providing medical records and releases permitting health care providers to provide medical records. An unjustified failure to cooperate will result in the discontinuance of benefits. If the failure continues for one year, it will result in permanent cessation of benefits.
3. **Standard on review.** The retiree's eligibility for retirement benefits continues if the retiree is unable to engage in any substantially gainful activity due to functional limitations caused by ~~the one or more~~ mental or physical conditions ~~that were the basis for the initial eligibility determination or by one or more new conditions that arose from the conditions that were the basis for the initial eligibility determination.~~
4. **Rebuttable presumption.** A retiree is presumed to be no longer eligible for retirement benefits if the retiree has earned more than the substantially gainful activity amount in one or more years while receiving disability retirement benefits. This presumption may be rebutted by information showing that the standard in subsection 3 is met notwithstanding these earnings.
5. **Use of the medical review service provider and independent medical examinations**
 - A. The Chief Executive Officer may determine that the retiree continues to be eligible without an IME and, if continuing eligibility is clear to a lay person, may determine that the retiree continues to be eligible without use of the medical review service provider.
 - B. The Chief Executive Officer may not determine that the retiree is no longer eligible for retirement benefits without an IME unless the IME is waived by the retiree.
 - C. IMEs under this Section are subject to the same reimbursement and waiver requirements as IMEs under Section 2.

STATUTORY AUTHORITY:
5 M.R.S. §§ 17103(4)

EFFECTIVE DATE:
March 1, 2023 – filing 2023-030

AMENDED:
July 31, 2024 – filing 2024-164

BASIS STATEMENT FOR ADOPTION OCTOBER 9, 2025/STATEMENT OF COMMENTS

Notice of this proposed rulemaking was published August 20, 2025. Rule Chapter 506 sets forth the standards and processes for determining eligibility for disability retirement benefits. The proposed amendments to the rule eliminate the requirement for continuous service before a member can be eligible for disability retirement without meeting pre-existing condition criteria as directed by PL 2025, c. 221 and simplifies continued eligibility for disability retirement benefits consistent with statute.

A public hearing was held September 11, 2025. No members of the public offered testimony at the hearing either in person or remotely. Two members of the public offered written comments to the proposed amended rule, one in support and one who said she could not support the proposal.

The first commenter¹ appreciates the proposed changes to eliminate the requirement for continuous service and to simplify the process for continued eligibility. That commenter goes on to propose additional changes to the MainePERS disability retirement program beyond the scope of the proposed amendment.

The second commenter² stated that she cannot support the proposed amendments without “concrete scenarios showing how they will help and be applied by the staff, and without fiscal analysis.” This commenter also asserted that the proposal was not in MainePERS’ regulatory agenda. She also made comments unrelated to the proposed amendments.

The first proposed amendment to Rule 506 merely implements statutory language enacted by the Legislature to eliminate the need for 5 years of continuous service before a member can be eligible for disability retirement without meeting pre-existing condition criteria. The Fiscal Note on this legislation reported no fiscal impact. The second proposed amendment simplifies the review for continuing eligibility process by not restricting the review to the conditions that led to the initial approval decision. Staff does not expect this to have a fiscal impact as situations where this process change would result in a different outcome would be rare and captured by experience loss. There is no requirement that “concrete scenarios” be provided. The System’s Annual Regulatory Agenda submitted to the Office of the Secretary of State on June 25, 2025, included amendment of Rule Chapter 506.

Based on consideration of the comments received, staff recommends no changes to the proposed amended rule.

The Board concurs with this recommendation.

At the Board’s regular meeting held on October 9, 2025, _____ made the motion,

¹ Wendy Fenderson, Limerick

² Susan Hawes, Portland

seconded by _____ to adopt the amendment to Rule Chapter 506 and its basis statement.

Voted

_____.

From: [Wendy Fenderson](#)
To: [RuleMaking](#); [Bill Brown](#)
Subject: Rulemaking Comments – Chapter 506: Eligibility for Disability Retirement Benefits
Date: Thursday, August 21, 2025 2:54:03 PM

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Wendy L. Fenderson



8/21/2025

To: Maine Public Employees Retirement System

Rulemaking Comments – Chapter 506: Eligibility for Disability Retirement Benefits

Attn: Bill Brown, Director of Actuarial and Legislative Affairs

rulemaking@mainepers.org

RE: Comments on Proposed Rulemaking – Chapter 506

I am submitting the following comments as a MainePERS member who recently completed the disability retirement process. I appreciate the proposed amendments to Chapter 506 that:

- Eliminate the requirement for continuous service before a member can be eligible for disability retirement without meeting pre-existing condition criteria.
- Simplify the process for continued eligibility consistent with statute.

Observations and Recommendations:

1. Medical Evaluation Expertise (Chapter 506, Sections 2 & 3; 5 M.R.S. §17103(4))

MainePERS currently lacks medically trained staff capable of evaluating complex disability claims. I strongly recommend expanding reliance on UMass Disability Evaluation Services (DES) at the Chan Medical School for all medical determinations. DES provides:

- Credentialed clinical reviewers
 - Structured, standardized evaluation forms and protocols
 - Access to vocational experts and medically qualified specialists
- Utilizing DES more fully would ensure consistent, medically sound decisions while reducing administrative burden and potential errors.

2.

3. Due Process and Chain of Command (Chapter 506, Section 2.B & 3; 5 M.R.S. §17103(4))

Members must have clear, transparent communication regarding disability determinations. I recommend:

- Clear separation of responsibilities between medical evaluators and MainePERS administrative staff.
- Written notice to members of all recommended reasonable accommodations and any employer responses before final determination.
- Consistent application of statutory provisions for continued eligibility and independent medical evaluations.

4.

5. Custody and Organization of Medical Records (Chapter 506, Sections 2 & 3)

- Medical records should be maintained separately from administrative or “housekeeping” documents.
- Documents should be indexed and exhibit-numbered (e.g., Bates stamping) for clarity, ensuring members, staff, and outside reviewers can reference materials efficiently.
- This practice would protect confidentiality and improve procedural transparency.

6.

7. Administrative Efficiency (Chapter 506, Section 2; 5 M.R.S. §17103(4))

- Structured procedures, as used by DES, reduce internal staff workload and avoid unnecessary expansion of MainePERS personnel.
- Standardized forms, protocols, and workflows improve timeliness and accuracy of disability determinations.
- Clear separation of medical and administrative responsibilities supports both due process and efficient operations.

8.

Conclusion:

The proposed Chapter 506 amendments improve statutory compliance and member eligibility processes. Incorporating these recommendations would further strengthen MainePERS' capacity to handle disability retirement claims fairly, efficiently, and consistently with best practices in medical evaluation and administrative procedure.

Thank you for considering these comments for the official rulemaking record.

Respectfully,

Wendy L. Fenderson

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Susan Hawes
Portland, Maine

**Rulemaking Comments in Response to
Maine Public Employee Retirement System 2025-P124
94-411, Ch. 506 Eligibility for Disability Benefits
Public Hearing Held September 11, 2025**

**MainePERS Rulemaking Must Be a Transparent Process,
Not Sudden and Arbitrary**

The rulemaking process at MainePERS is broken. Asking the public to comment on proposed changes before explaining the need, scope, or fiscal impact is unacceptable. Who, if anyone, did MainePERS consult with before introducing the changes to Chapter 506 at this hearing?

Due to the following reasons, I cannot support the Chapter 506 proposal to:

- Remove the requirement for “continuous” creditable service, and
- Rewrite the “Standard on review” by striking:
“that were the basis for the initial eligibility determination or by one or more new conditions that arose from the conditions that were the basis for the initial eligibility determination.”

These changes have potential consequences. Without concrete scenarios showing how they will help and be applied by the staff, and without fiscal impact analysis, the Board is being asked by staff to vote blindly. Even worse, MainePERS’s June 25, 2025, regulatory agenda submitted to the Secretary of State contained no mention that these changes would be proposed. What process justified these sudden rule changes? How will these changes improve the administration of the MainePERS disability program?

**FOAA Request: No Actuarial Analysis of Offsets Misleads Rate
Setting Bodies**

In follow up to the rulemaking in July (Ch. 513) and last month (Ch. 510): As the Board is aware, on June 6, I had filed a Freedom of Access Act request for the data provided by MainePERS’s to the actuary on the MainePERS Workers’ Compensation and Social Security offset for the actuary’s very important and costly 2015–2020 experience study.

On September 19, I finally received a response, “There are no documents responsive to this request. This completes our response.”

In plain terms, the actuary never applied an assumption for MainePERS’s now-repealed Social Security disability offset—essentially funding the plan as if the MainePERS Social Security offset did not exist. Even more troubling, the 10% actuarial assumption that MainePERS disability retirees receive reduced MainePERS benefits due to receiving Workers’ Compensation has not been tested, validated, or measured by the actuary for

experience or valuation reports. Yet these same reports are used by the Board and Participating Local District Advisory Committee to set the defined benefit plan contribution rates paid by employers and employees across the system.

Despite this gap, the March 1, 2025 out of state “external internal auditor” declared MainePERS had “no room for improvement” in its actuarial practices? COO Collieran stated at the September 11th meeting during the Ch. 510 rulemaking, the auditor “found no critical or major deficiencies” and “what [the auditors] were looking at was staff practices in dealing with the actuary” and “there was no room for improvement in Board actuarial education.”

How does the Board’s “actuarial education” lead to the condition of, for years on end, staff not monitoring with actuary the experience with the Workers Compensation actuarial assumption of 10%?

This so-called internal auditor does not come to Maine, consults no consumers, and silences public input. MainePERS’s preferred “outsourced” “external internal auditor” is a rubber stamp with bloated invoices—not oversight.

More Misleading Statements to the Board

On September 11, before the Board voted on Chapter 510, COO Collieran told trustees: “Although members in the same plan pay the same rate, they don’t all end up and no two end up with the same benefit experience.”

This is misleading. In fact, the Social Security offset violated the Board’s duty of fairness in a defined benefit plan. For example:

- Two Cumberland County Corrections Officers in the same cohort pay identical contributions into MainePERS and Social Security.
- Both become disabled and qualified for MainePERS disability.
- One also qualified for SSDI. The result? MainePERS paid him less than his equally contributing colleague—an inequity within the defined benefit plan which the Board ignored for years.

MainePERS applied the offset and took members’ benefits in secret and used inconsistent legal standards when gleaning data from disabled retirees’ federal income tax returns. As the legislature learned during the testimony on LD 1638 (132nd) many retirees learned about the offset after their benefits were reduced or much later when MainePERS claimed “overpayments” of benefits.

Despite the testimony during LD 1638 (132nd), in last month’s presentation during the Ch. 510 rulemaking, COO Collieran boldly dismisses as a one off the history of his administration of the MainePERS disability department and its offsets, claiming, “There was a couple comments that said that Maine PERS doesn't disclose to the supported retirement applicants that their benefits will be offset. That's not correct.”

Not correct? See my husband's attached Notices of Retirement from MainePERS. Where does Mr. Colleran see a disclosure that a monthly offset was taken from the benefit amount? Where does he see the reduction of \$900/month due to the MainePERS SSDI offset acknowledged in the Notice of Retirement? The letter announcing the benefit calculation says only there "may" be an offset applied.

MainePERS operates its disability program without meaningful oversight, and disabled retirees are paying the price.

It is very difficult to build trust that MainePERS is doing right by our members when the administration works hard to force through rulemaking without transparent, inclusive rule development. I have seen firsthand how MainePERS's opaque procedures and unchecked discretion devastate public servants and their families.

Despite its showy annual evaluations of its "new" 2021 disability application process, the system continues to fail those it was designed to protect. Multiple cases and recent testimonies given under LD 1638(132nd) raised serious, ongoing concerns about MainePERS's operations, transparency, and fairness.

This isn't just a policy failure—it's a moral one. MainePERS operates its disability and appeals programs without meaningful oversight, and disabled retirees are paying the price.

Another example, MainePERS makes a "show" online with one of its two brief 2022 working groups—Consensus-Based Rulemaking on disability retirement—misrepresenting my participation on documents created by MainePERS.

MainePERS does not disclose that I was the only one restricted by the COO to webinar mode with no ability to speak and only permitted to file written comments. Worse, these rulemaking records lack acknowledgement that no disabled retiree or family directly impacted by the rules was invited to the COO's hand-picked group. Instead, most participants lacked experience with the disability program and no one at the table spoke from the perspective of a disabled retiree.

MainePERS's misrepresentation undermines transparency and violates the Legislature's expectation that rulemaking be inclusive (5 M.R.S. §8052).

November 14, 2018

Mr. Philip Hawes


Dear Mr. Hawes:

Maine Public Employees Retirement System (MainePERS) has completed the calculation of your retirement benefit. Your first benefit payment will be processed for the November 29, 2018 payroll and will include any retroactive benefits you are owed back to March 1, 2018, the effective date of your benefit. A Notice of Retirement, which provides you with details about your retirement benefit, is enclosed.

MainePERS will review your disability retirement periodically to see whether or not you continue to be eligible. Your initial review is scheduled on or around July 1, 2019.

Please notify us immediately, if at any time, there are changes in benefits you are receiving or if you begin to receive benefits from Workers Compensation, Social Security Disability or any other disability benefit or settlement for the same injury or illness for which you have been approved for MainePERS disability retirement. A payment offset of your MainePERS benefit may be required.

You should also contact us if you become employed while receiving a disability benefit. We can provide you with important information about earnings limitations and offsets specific to your situation.

If you have any questions, please contact us at the number listed below.

Sincerely,

MainePERS

Enclosure: Notice of Retirement
Payment Calendar
Brochure: After You Retire

Notice of Retirement

Participant Data

Name of Recipient : Mr. Philip Hawes

Benefit Effective Date : 03/01/2018

Service and Benefit Data

Benefit Type : Disability Benefit

Benefit Option : Ordinary

Upon your death, benefits payable to your designated beneficiary will be in accordance with the statutes in effect at that time.

Plan	Average Final Comp	Total Credit	Monthly Amount
P Reg A	\$ 48,374.47	11.0202	\$ 1,740.50
		11.0202	\$ 1,740.50

Preserve for Income Tax Purposes

At the time of your retirement you had accumulated :

Contributions Federally Taxed :	\$0.00
Contributions Not Federally Taxed :	\$33,074.81
Total Contributions :	\$33,074.81

Beneficiary Data


Beneficiary Details : Name

Date : November 14, 2018

Form ID : L_P024

1

December 11, 2018

Mr. Philip Hawes


Dear Mr. Hawes:

Maine Public Employees Retirement System (MainePERS) has completed the recalculation of your retirement benefit based on the additional information provided regarding the previously noted rental income. Your corrected benefit payment will be processed for the December 28, 2018 payroll and will include corrected retroactive benefits you are owed back to March 1, 2018, the effective date of your benefit. A corrected Notice of Retirement, which provides you with details about your retirement benefit, is enclosed.

MainePERS will review your disability retirement periodically to see whether or not you continue to be eligible. Your initial review is scheduled on or around July 1, 2019.

Please notify us immediately, if at any time, there are changes in benefits you are receiving or if you begin to receive benefits from Workers Compensation, Social Security Disability or any other disability benefit or settlement for the same injury or illness for which you have been approved for MainePERS disability retirement. A payment offset of your MainePERS benefit may be required.

You should also contact us if you become employed while receiving a disability benefit. We can provide you with important information about earnings limitations and offsets specific to your situation.

If you have any questions, please contact us at the number listed below.

Sincerely,

MainePERS

Enclosure: Notice of Retirement
Payment Calendar
Brochure: After You Retire

Notice of Retirement

Participant Data

Name of Recipient : Mr. Philip Hawes

Benefit Effective Date : 03/01/2018

Service and Benefit Data

Benefit Type : Disability Benefit

Benefit Option : Ordinary

Upon your death, benefits payable to your designated beneficiary will be in accordance with the statutes in effect at that time.

Plan	Average Final Comp	Total Credit	Monthly Amount
P Reg A	\$ 48,374.47	11.1036	\$ 1,482.97
		11.1036	\$ 1,482.97

Preserve for Income Tax Purposes

At the time of your retirement you had accumulated :

Contributions Federally Taxed :	\$0.00
Contributions Not Federally Taxed :	\$33,074.81
Total Contributions :	\$33,074.81

Beneficiary Data

Beneficiary Details : Name

Date : December 11, 2018

Form ID : L_P024

94-411 MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

Chapter 803: PARTICIPATING LOCAL DISTRICT CONSOLIDATED RETIREMENT PLAN

SUMMARY: This chapter establishes a consolidated retirement plan, as required by 5 M.R.S. §18801 *et seq.* for local districts that are participating local districts under 5 M.R.S., Chapter 425 before the date the plan is put into operation and for local districts that enter into agreements for the participation of their employees in the Maine Public Employees Retirement System after The Plan is put into operation.

NOTE: 5 M.R.S., Chapter 421, *General Provisions*, is applicable to all activities relating to the Maine Public Employees Retirement System, including the subject matter of this chapter of the rules of the Board of Trustees ("Board"). 5 M.R.S., Chapter 427, *Participating Local Districts Consolidated Plan*, is the statute from which this chapter of the rules of the Board derives its authority and is applicable to all activity based upon this chapter.

SECTION 1. DEFINITIONS

1. **Local District.** "Local district" means:
 - A. Any county, municipality, quasi-municipal corporation or incorporated instrumentality of the State or of one or more of its political subdivisions;
 - B. Any incorporated association of employees of the State or employees of any of the entities set out in paragraph A;
 - C. Any incorporated association of any of the entities set out in paragraph A;
 - D. Any entity eligible to become a participating local district before January 1, 1976;
 - E. Any entity participating in the Retirement System before January 1, 1976; or
 - F. Any educational institution in the State teaching courses equivalent to or higher than secondary institutions.
 - G. Any public charter school, as authorized by Title 20-A, chapter 112.
2. **"Consumer Price Index"** means:
 - A. The Consumer Price Index for All Urban Consumers, CPI-U, as compiled by the Bureau of Labor Statistics, United States Department of Labor; or
 - B. If the index described in paragraph A is revised or superseded, the Board must employ the Consumer Price Index compiled by the Bureau of Labor Statistics, United States Department of Labor that the Board finds to be most reflective of changes in the purchasing power of the dollar for the broadest population of consumers, including retired consumers.

3. **"Current Employer"** means the employer who is the member's employer at the time the member becomes a member under The Plan.
4. **"Member"** means any employee included in the membership of The Plan.
5. **"Normal Retirement Age"** means the specified age, the years of service requirement or any combination of age and years of service requirements at which a member becomes eligible for an unreduced retirement benefit.
6. **"Participant"** means any employee included in the defined contribution plan under this chapter.
7. **"Participating Local District"** means a local district which has approved the participation of its employees in the Retirement System under 5 M.R.S. §18201 or §18804.
8. **"The Plan"** means the defined benefit plan under the consolidated retirement plan for local districts established by 5 M.R.S., Chapter 427 (§18801 *et seq.*) and this chapter.
9. **Other Terms.** All other terms used in this chapter, unless the context otherwise indicates, shall have the same definitions as in 5 M.R.S. §17001.

SECTION 2. LOCAL DISTRICT PARTICIPATION

1. **Participating Local District Election.** Before July 1, 1996, the executive body or legislative body of each local district that is a participating local district under 5 M.R.S., Chapter 425 (§18201 *et seq.*) must, by resolution or order, elect one of the following options. Failure to make an election will have the same effect as electing paragraph B.
 - A. **To Join The Plan.** A participating local district may elect to participate in The Plan in accordance with the requirements of 5 M.R.S. §18804. Upon receipt of the certified copy of the resolution or order and record of the vote, the Executive Director shall prepare an agreement, to be signed by the authorized representative of the district and the Executive Director, specifying the parts of The Plan applicable to the district and the duties and rights of the district and the Retirement System. The resolution or order shall include:
 - (1) Approval of the participation in The Plan;
 - (2) The regular service retirement benefit plan and, if applicable, the special service retirement benefit plan elected from those provided by this chapter for the district's employees; and
 - (3) The name or title of the person authorized to sign the agreement on behalf of the local district.
 - B. **To Be Transferred to The Plan.** A participating local district may elect to have its participation in the Retirement System transferred to The Plan without electing the retirement benefit plan or plans for the district's employees.

- (1) The Retirement System will transfer the district's employees to the plan or plans with the benefit level or levels closest to the district's current plan or plans.
- (2) The resolution or order shall include the same information as that required under paragraph A, except that it shall state that the Retirement System is to determine the retirement benefit plan or plan that apply to the district's employees.
- (3) The agreement as prepared by the Executive Director shall be as provided in paragraph A.

C. **To Withdraw from the Maine Public Employees Retirement System.** Subject to 5 M.R.S. §18203, a participating local district may withdraw from participation in the Retirement System. The effect of withdrawal on the district's employees is governed by 5 M.R.S. §18254.

2. **Local District May Enter into Agreement for The Plan.** Any local district that is not a participating local district before July 1, 1993, may enter into an agreement for participation of its employees in the Retirement System only under The Plan and in the manner provided by 5 M.R.S. §18804, sub-§1 or 2. Upon receipt of the certified copy of the resolution or order and record of the vote, the Executive Director shall prepare an agreement specifying the parts of The Plan applicable to the district and the duties and rights of the district and the Retirement System. The resolution or order shall include:

- A. Approval of the participation in The Plan;
- B. The regular service retirement benefit plan and, if applicable, the special service retirement benefit plan elected from those provided by this chapter for the district's employees;
- C. A list of classes, and a list by name and social security number, of any employees who are excluded from membership based upon their being provided for by local pension provisions;
- D. Any limitations on the granting of service credits to employees for service before the beginning date of the participation of its employees in The Plan; and
- E. The name or title of the person authorized to sign the agreement on behalf of the local district.

3. **Effective Date; Date of Operation; Date of Participation**

- A. **Effective Date.** July 1, 1993, is the effective date of The Plan. Participating local districts and other local districts may enter into an agreement to participate in The Plan on and after that date.
- B. **Date the Plan Goes into Operation.** The Plan will be put into operation as of July 1 immediately following the date when:

- (1) The number of local districts that have entered into agreements for participation in The Plan with an election of regular service retirement benefits for their employees exceeds 3% of the districts which as of that date are participating in the Retirement System in regular service retirement benefit plans;
- (2) The number of local districts that have entered into agreements for participation in The Plan with an election of special service retirement benefits for their employees exceeds 3% of the districts which as of that date are participating in the Retirement System special service retirement benefit plans; and
- (3) In each instance the total number of members employed by districts that have entered agreements exceeds 5% of the total of all participating local district members in each category as of that date.

C. **Date of Participation.** The date of participation in The Plan for a participating local district is the first day of the month that most immediately follows the date on which the agreement for participation is signed by the Executive Director and the authorized representative of the participating local district or such later date stated in the agreement or amendment, unless The Plan is not then in operation, in which case, the date of participation is the date on which The Plan goes into operation.

4. **Full Withdrawal from The Plan.** A participating local district may fully withdraw from participation in The Plan by filing with the Board of Trustees a duly certified copy of the withdrawal vote of the body entitled to approve participation under 5 M.R.S. §18804, sub-§1 or 2. The withdrawal date is the later of the last day of the month following the month in which the certified notice is received by the Board or the last day of a later month specified in the notice. The effect of withdrawal on the district's employees is governed by 5 M.R.S. §18254, sub-§1 through 4.

1. A participating local district that withdraws from participation in The Plan must continue to make payments as required under Section 5, subsection 2.
2. Additionally, the withdrawing participating local district must make a withdrawal liability payment determined as follows:
 - (1) The System's actuary will calculate the pooled unfunded actuarial liability of The Plan as of the most recent valuation date that precedes the withdrawal date. The actuary will allocate a portion of the pooled unfunded actuarial liability to the withdrawing participating local district on the basis of the proportion of the withdrawing participating local district's total covered payroll to the total covered payroll of The Plan as of the valuation date.
 - (2) Unless otherwise agreed under subparagraph 3, the actuary will subtract from the withdrawing participating local district's portion calculated under subparagraph 1 the present value, as of the withdrawal date, of pooled unfunded actuarial liability payments the participating local district has made since the valuation and pooled unfunded actuarial liability payments the participating local district is expected to pay through the payment of employer contributions after withdrawal on those employees who remain active members. The difference is the withdrawal liability payment amount.

- (3) As an alternative to subparagraph 2, the Executive Director and the withdrawing participating local district may agree that the withdrawal liability payment amount is the withdrawing participating local district's portion as calculated under subparagraph 1, reduced only by the present value, as of the withdrawal date, of any pooled unfunded actuarial liability payments the participating local district has made since the valuation. In that case, the withdrawing participating local district's obligations under paragraph A do not include payments under Section 5, subsection 2, paragraph C.
 - (4) The withdrawing participating local district may pay this withdrawal liability amount in a lump sum or amortize it over a period of up to 30 years at the actuarial assumed rate of return used in the most recent valuation that precedes the withdrawal date.
3. The withdrawing participating local district remains a participating local district subject to this rule until it has no remaining active members and all of its liabilities for inactive vested members, retired members and beneficiaries of retired members have been satisfied according to the requirements of federal and state law, and rules and policies governing satisfaction of liabilities.
- 4-1. **Partial Withdrawal from The Plan.** For purposes of this subsection, a partial withdrawal occurs when a participating local district elects a change under subsection 7 that excludes a category of employees from membership who would have been eligible for membership absent the change. In the case of a partial withdrawal, the participating local district must make a withdrawal liability payment calculated and paid in the same manner as set forth in subsection 4, paragraph B, except that the portion of The Plan's pooled unfunded actuarial liability that will be allocated to the partially-withdrawing participating local district will be based on the proportion of the district's covered payroll for that category of employees to the total covered payroll of The Plan as of the valuation date.
5. **Resumption of Participation after Withdrawal.** A participating local district that has withdrawn from The Plan under subsection 1, paragraph C or subsection 4 may resume participation in The Plan by taking the actions required by subsection 2.
 - A. A participating local district which has resumed participation and which thereafter again withdraws may not subsequently again resume participation before 3 years from the date of its immediately prior withdrawal.
 - B. A local district may resume participation only under the consolidated plan. The retirement benefit plan adopted by the local district on resumption is applicable to all current and future employees who are members if the plan results in a higher level of benefits for the district's employees. The plan adopted on resumption is applicable only to new employees if the plan results in a lower level of benefits for the district's employees or results in a change from a plan with cost of living adjustments to a plan without cost of living adjustments.
 - C. **Effect on employees.** Except as set forth below in this paragraph C, employees of a local district which resumes participation in the Retirement System are eligible for membership in the System on the same basis as employees of a local district upon initial participation.

- (1) Employees who did not withdraw from membership when the local district withdrew from participation in the System may continue membership on the same basis as before the resumption of participation and are entitled to any additional benefit provisions selected and any increase in the level of benefits provided under The Plan.
 - (2) Employees for whom membership was compulsory who withdrew from membership when the local district withdrew from participation in the System must resume membership in the System if membership with the local district remains compulsory upon the resumption of participation by the local district.
 - (a) These employees may receive service credits for previous membership service upon repayment of withdrawn accumulated contributions and applicable interest.
 - (b) These employees may not purchase service credits for periods of employment between withdrawal from membership and resumption of participation by the local district.
 - (3) Employees for whom membership was not compulsory and who elected not to become or remain a member may not be a member as an employee of that local district unless the employee is electing to rejoin The Plan and:
 - (a) The employee is covered by a plan provided by the employer under section 5 M.R.S. §18252-B with an employee contribution rate that is not lower than the employee contribution rate for the applicable plan under The Plan; and
 - (b) Employee contributions after rejoining The Plan qualify for treatment as pick-up contributions for federal tax purposes and the person's membership otherwise complies with the United States Internal Revenue Code as applicable to governmental qualified defined benefit plans.
 - (4) The participating local district may allow current employees who began service with the district after the district withdrew from participation to purchase service credits for service rendered from the time of hire to the resumption of participation. The purchase of such service credits is governed by 5 M.R.S. §18253, sub-§2, paragraphs A and B.
 - (5) If the district grants prior service credits, those service credits shall be based only upon the employee's employment with the district before the district's initial date of participation.
6. **Disbanded or Dissolved Districts.** The effect of the disbanding or dissolution of a district that participates in The Plan on the membership and benefits of its employees is governed by 5 M.R.S. §18255 and §18408.
7. **Change of Service Retirement Benefit Plan or Plans.** After beginning participation in The Plan, a participating local district may elect to change the service retirement benefit plan or plans which apply to the district's employees by following the same process set forth in Section 2 for participation in The Plan. The change is applicable to all current and future

employees who are members, if the change results in a higher level of benefits for the district's employees. The change is applicable to new employees only, if the change results in a lower level of benefits for the district's employees or results in a change from a plan with cost of living adjustments to a plan without cost of living adjustments.

The Executive Director shall prepare either a new agreement or an amendment to the district's agreement which will be signed by the authorized representative of the district and the Executive Director. The effective date of the change is the first day of the month that most immediately follows the date the new agreement or amendment to the agreement is signed by the authorized representative of the district and the Executive Director or such later date stated in the agreement or amendment.

8. If the retirement system determines that a certified action received under Section 2 is unclear, the chief administrative officer of the participating local district may clarify in writing any ambiguity in the certified action, and the retirement system may rely on that clarification.

SECTION 3. MEMBERSHIP

1. **Compulsory Membership.** Membership is compulsory for all employees who are in the service of a participating local district on the date when participation of the employees of that district in The Plan begins and who are members of the System on that date and for all employees entering the service of that district after that date, except as provided under subsection 2 and 3. A local district that is not a participating local district before July 1, 1993, shall designate in its resolution or order approving participation any class of employees otherwise provided for by local pension provisions who are excluded from membership in The Plan as provided under 5 M.R.S. §18804, sub-§3.
2. **Optional Membership.** Optional membership under The Plan for employees of participating local districts is governed as follows:
 - A. **Member When Participation of Employees Begins.** Membership is optional for employees in the service of a local district on the date when the participation in the Retirement System of the employees of the local district first begins, whether under 5 M.R.S., Chapters 425 or 427.
 - B. **Elected or Appointed Officials.** Membership is optional for elected officials and officials appointed for a fixed term.
 - C. **Trustees of Water, Sanitary and Sewer Districts.** Membership of trustees of water, sanitary and sewer districts is subject to the following:
 - (1) **Water districts.** Membership of trustees of a water district is governed by 35-A M.R.S., §6410, subsection 8;
 - (2) **Sanitary districts.** Membership of trustees of a sanitary district is governed by 38 M.R.S. §1104.
 - (3) **Sewer districts.** Membership of trustees of a sewer district is governed by 38 M.R.S. §1036.

- D. **Employees Covered by Social Security.** Membership is optional for an employee of a participating local district who is covered under the *United States Social Security Act*. Except as provided by paragraph H, optional membership for those employees is subject to 5 M.R.S. §18252.
 - E. **Employees Not Covered by Social Security.** Membership is optional for any employee of a participating local district that does not provide Social Security coverage provided that the district offers an alternative plan that meets the requirements of 5 M.R.S. §18252-B, and provided that the employee participates in the alternative plan. Optional membership for those employees is subject to 5 M.R.S. §18252-A as amended by PL 2021, c. 90.
 - F. **Chief Administrative Officer.** Membership is optional for a chief administrative officer of a participating local district, whether appointed for a fixed term or whether appointed with tenure.
 - G. **Employees Not Subject to Municipal Public Employees Labor Relations Law.** Membership is optional for those employees who are not subject to the municipal public employees labor relations laws contained in 26 M.R.S., Chapter 9-A.
 - H. Membership for employees of a participating local district that provides a plan under 5 M.R.S. §18252-B is governed by 5 M.R.S. §18252-A as amended by PL 2021, c. 90.
 - I. The provisions of 5 M.R.S. §18252-C apply only to employees of participating local districts who specifically adopt them in their participation agreement.
3. **Part-Time, Seasonal or Temporary Employees.** Membership of part-time, seasonal and temporary employees, as defined by Chapter 802 (94-411 CMR 802) of the rules of the Board is determined by the election made by each participating local district under Section 2.
 4. **Cessation of Membership.** A member ceases to be a member of the Retirement System if the member:
 - A. **Withdrawal.** Withdraws accumulated contributions;
 - B. **Beneficiary.** Becomes a beneficiary as a result of the member's own retirement; or
 - C. **Death.** Dies.
 5. **Service in the Armed Forces.** The membership of the following members under The Plan is considered to have continued during the period of the member's service in the Armed Forces of the United States:
 - A. Any member entering a class of service in the Armed Forces of the United States approved by resolution of the Board, if the member does not withdraw accumulated contributions;
 - B. Any member who enlists in or is inducted or drafted into the service of the Armed Forces of the United States; and
 - C. Any member who enlists in or is inducted or drafted into the service of the Armed Forces of the United States while the *United States Selective Service Act of 1948*, Public Law 759, or any of its amendments or extensions is in effect.

SECTION 4. PORTABILITY OF SERVICE CREDITS; ELIGIBILITY TO RETIRE, COMPUTATION OF BENEFIT

1. **Two or More Employers under The Plan.** A member's benefits are based upon all creditable service with all participating employers while a member under The Plan, and creditable service with the member's employer on the date the member began participation under The Plan. When a member under The Plan terminates employment and is subsequently reemployed by another employer whose employees participate in The Plan, the member is not considered to be reemployed by a new employer. If the member is reemployed by the subsequent employer as of the first work day following termination of employment with the previous employer, for the purpose of determining eligibility for benefits, the member is considered to have continuous membership and creditable service.
2. **Previous Employer Not under The Plan; Subsequent Employer under The Plan.** When a member either terminates employment with an employer that has withdrawn from the System, or terminates employment with another employer under the System whose employees are not covered by The Plan, and is employed by a subsequent employer whose employees are members under The Plan, the member's creditable service with the previous employer is used in determining eligibility to retire under the subsequent employer's regular service retirement benefit plan under Section 7. Benefits for service with the previous employer are based upon creditable service and earnable compensation with the previous employer and the provisions of 5 M.R.S., Part 20 in effect with respect to the previous employer at the date of termination of service by the member. A county or municipal law enforcement officer or a municipal firefighter who is eligible under 5 M.R.S. §18253, sub-§1, paragraph E, and who elects to make the contribution necessary under Section 5, subsection 1, paragraph K may include all or part of the creditable service earned with a previous employer with service earned with the new employer both for the purpose of qualification for a service retirement benefit and for the benefit computation.
3. **Previous Employer under The Plan; Subsequent Employer Not under The Plan.** Membership, creditable service and benefits of a member under The Plan who terminates employment and is reemployed as a state employee or teacher are governed by 5 M.R.S. §17656, sub-§1. Until July 1, 1996, membership, creditable service and benefits of a member under The Plan who terminates employment and is reemployed by a participating local district whose employees do not participate in The Plan are governed by 5 M.R.S. §18253, sub-§1. As required by Section 2, paragraph 1, as of July 1, 1996, each local district that is a participating local district must have either entered into an agreement to participate in The Plan or have withdrawn from participation in the Retirement System.
4. **Service under Two or More Special Service Retirement Benefit Plans; Eligibility to Retire.** If a member accrues service credits under more than one special service retirement benefit plan in The Plan, whether with the same employer or more than one employer, credit from service under other special plans toward meeting the retirement eligibility requirements of the special plan from which the member retires is transferred based upon the percentage of the eligibility requirements for the previous plan or plans which were met while under the previous plan or plans. For example, a member who accrues 10 years of creditable service under Special Service Retirement Benefit Plan 1 (1/2 of AFC after 20 years) would have completed 50% of the eligibility requirement under that plan and upon transferring to employment under Special Service Retirement Benefit Plan 2 (1/2 of AFC after 25 years) would be entitled to 50% of the eligibility requirements for that plan; i.e., 12.5 years. The

member's benefit would be calculated at 2.5% of AFC for each year under Plan 1 and at 2% for each year under Plan 2.

5. **Service under Two or More Service Retirement Benefit Plans – One Regular and One Special; Eligibility to Retire**

A. **Regular Service before Special Service.** If a member under The Plan accrues service credits under a regular service retirement plan before accruing service credits under a special service retirement benefit plan, whether with the same employer or more than one employer,

- (1) the member may retire at any time after the member qualifies for a special service retirement benefit under Section 8. The regular plan service credits may be used toward qualifying to retire under a special service retirement benefit as provided in Section 8. The regular plan service credits used towards qualification for a special service retirement benefit are considered to be special plan service credits for the purpose of computation of the special service retirement benefit as provided in Section 8. If the application of the provisions of Section 4, subsection 6 would result in a greater service retirement benefit, then the benefit will be computed under that section.
- (2) A member who does not qualify to retire under a special service retirement plan may retire under a regular service retirement plan at any time after the member qualifies under Section 7. The service retirement benefit for all service is computed as provided in Section 7.

B. **Special Service before Regular Service.** If a member under The Plan accrues service credits under a special service retirement benefit plan before accruing service credits under a regular service retirement benefit plan, whether with the same employer or more than one employer,

- (1) before qualifying to retire under a special service retirement plan, the member may retire at any time after completing 25 years total service or reaching normal retirement age with at least one year of service. The service retirement benefit for all service is computed as provided in Section 7.
- (2) after qualifying to retire under a special service retirement plan, the member may retire at any time. The portion of the benefit that is based upon service credits under a regular service retirement benefit plan is subject to early retirement reduction if retirement is before normal retirement age. The portion of any benefit paid to a member that is based upon service credits under Special Service Retirement Benefit Plan 4 is also subject to early retirement reduction, if retirement is before age 55.

6. **Service under Two or More Service Retirement Benefit Plans; Computation of Benefits.** When a member has creditable service under two or more service retirement benefit plans, the appropriate benefit formula is applied to each period of service as provided by Section 7, “Regular Service Retirement Benefits Plans” and Section 8, “Special Service Retirement Benefit Plans”. All benefits based upon creditable service under The Plan are based upon one calculation of average final compensation.

SECTION 5. CONTRIBUTIONS

1. Member contributions

- A. **Active Member.** Each member under The Plan shall contribute to the Retirement System or have pick-up contributions made by the employer at a rate provided by Sections 7, 8, and 9. The contribution rate for a member is the rate assigned to the retirement benefit plan under which the member is accruing service credits.
- B. **Former Members; Service under The Plan.** Any former member who, after having terminated service while a member under The Plan and having withdrawn accumulated contributions, again becomes a member under The Plan may repay the withdrawn contributions to the Members' Contribution Fund under the following conditions:
 - (1) **Time.** The repayment must be made before the date any retirement benefit becomes effective for the member.
 - (2) **Manner of Repayment.** The repayment must be made to the Retirement System consistent with Chapter 406 (94-411 CMR 406) of the rules of the Board.
 - (3) **Amount of Repayment.** The amount of repayment must be equal to the withdrawn accumulated contributions plus interest on the amount of those accumulated contributions, beginning on the date of withdrawal to the date the repayment or repayments are made, at a rate to be set by the Board not to exceed regular interest by 5 or more percentage points.
 - (4) **Credit under The Plan.** Except as provided in paragraph C, only withdrawn contributions relating to creditable service under The Plan may be repaid for service credit under The Plan.
- C. **Service Not under The Plan**
 - (1) **Withdrawn Contributions**
 - (a) Any member who had service while not a member under The Plan and having withdrawn contributions relating to that service may repay the withdrawn contributions to the Members Contribution Fund under the conditions specified in paragraph B, subparagraphs 1 to 3. Creditable service related to these repaid contributions is used in determining eligibility to retire under the applicable regular service retirement benefit plan under Section 7. Benefits for that service are calculated based on that service and on earnable compensation related to that service in accordance with applicable provisions of 5 M.R.S., Part 20 in effect with respect to the previous employer's regular service retirement plan immediately before that employer's employees became members under The Plan. The additional liability relating to the service credits granted under this division becomes part of the previous employer's unpooled unfunded actuarial liability as provided in subsection 2, paragraph A, subparagraph 2.
 - (b) Any member who had service while not a member under The Plan and having withdrawn contributions relating to that service may

repay the withdrawn contributions to the Members Contribution Fund under the conditions specified in paragraph B, subparagraphs 1 to 3. Creditable service related to these repaid contributions is used in determining that a member is qualified to retire and in the computation of retirement benefit under the applicable service retirement benefit plan under Section 7 or Section 8. Unless the service was with the same employer that is the member's employer at the time the contributions are repaid, the contributions provided for under this subparagraph may be repaid only after the participating local district that is the member's employer at the time the contributions are repaid agrees to assume the additional liability incurred as part of the district's unpooled unfunded actuarial liability as provided in subsection 2, paragraph A, subparagraph 2.

(2) **Non-member Service**

- (a) Subject to the personnel rules or policies of the member's employer at the time of the service; provided the member has continued to be employed by that employer; and subject to 5 M.R.S. §18305-B, a member who had service as an employee of a participating local district for which contributions were not made may receive service credit for that service upon paying the appropriate contributions to the Members Contribution Fund under the conditions specified in paragraph B, subparagraphs 2 and 3. Creditable service related to these contributions is used in determining that a member is qualified to retire and in the computation of retirement benefit under the applicable service retirement benefit plan under Section 7 or Section 8. The additional liability relating to the service credits granted under this division becomes part of the district's unpooled unfunded actuarial liability as provided in subsection 2, paragraph A, subparagraph 2.
- (b) Subject to 5 M.R.S. §18305-B, a member who had service as an employee of any participating local district for which contributions were not made may receive service credit for that service upon paying the appropriate contributions to the Members Contribution Fund under the conditions specified in paragraph B, subparagraphs 2 and 3. Creditable service related to these contributions is used in determining that a member is qualified to retire and in the computation of retirement benefit under the applicable service retirement benefit plan under Section 7 or Section 8. The contributions provided for under this subparagraph may be made only after the participating local district that is the member's employer at the time the contributions are made and the service credits are granted agrees to assume the additional liability incurred as part of the district's unpooled unfunded actuarial liability as provided in subsection 2, paragraph A, subparagraph 2.

D. **Optional Members with non-member service.** The purchase of service credit for a member for whom membership is optional under Section 3, subsection 2 who had service as an employee of a participating local district for which contributions were not made is governed by 5 M.R.S. §18305-B, provided that the member has

continued to be employed by the same employer as that during which no contributions were paid.

- E. **Former Member; Withdrawal by Employees Not Covered by Social Security.** In addition to paragraphs B and C, the repayment of contributions that were withdrawn by a member who is an employee of a participating local district that is not covered under a Social Security Section 218 agreement but that has a plan that meets the requirements of 5 M.R.S. §18252-B is subject to the provisions of 5 M.R.S. §18252-A as amended by PL 2021, c. 90.
- F. **Service in the Armed Forces before Becoming a Member.** A member who qualifies under Section 6, subsection 4, paragraph B, sub-paragraphs 1 through 4, shall contribute to the Retirement System for the period of service in the Armed Forces under the following terms and conditions:
- (1) Contributions are calculated at the percentage rate required of active members during the period of time covered by the service in the Armed Forces applied to the member's earnable compensation during the first year as an employee subsequent to service in the Armed Forces under the following terms and conditions:
 - (a) The payment may not be made until the member has accumulated at least 15 years of creditable service and must be made before the date any retirement benefit becomes effective for the member;
 - (b) If 2 or more percentage rates were in effect during the period of service in the Armed Forces, the highest percentage rate is used;
 - (c) The minimum rate is 5%; and
 - (d) Interest at a rate set by the board not to exceed regular interest by 2 or more percentage points is paid on the unpaid balance beginning January 1, 1976, or the date of attaining 15 years of creditable service, if later, to the date payment is made.
 - (2) **Manner of Repayment.** The repayment must be made to the Retirement System consistent with Chapter 406 (94-411 CMR 406) of the rules of the Board.
- G. **Service in the Armed Forces after Becoming a Member.** For members who qualify to have their membership in the Retirement System continued under Section 3, subsection 5 because of service in the Armed Forces of the United States, the participating local district shall contribute to the Members' Contribution Fund the same amount that the member would have been required to contribute if the member had been serving the district during the period of service in the Armed Forces in the same capacity in which the member was serving at the time the member joined the Armed Forces. Any member whose contributions to the Members' Contribution Fund are paid by the district under this subsection, who withdraws or ceases to be a member of the Retirement System, may not withdraw any of the contributions made by the district under this subsection. Upon receiving written certification and substantiation from the member's employer that a member has met the requirements of Section 3, subsection 5 and Section 6, subsection 4, paragraph A, the System shall calculate the member contributions applicable to the period of service in the Armed

Forces. The participating local district by which the member is employed is responsible for those contributions and will be billed by the System.

- H. **Out-of-state Service.** A member who qualifies under Section 6, subsection 5, must make contributions into the Members' Contribution Fund for the years of out-of-state service under the following terms and conditions:

- (1) Contributions are calculated on the same basis as the member would have made contributions had the service been in the State;
 - (a) The payment may not be made until the member has accumulated at least 20 years of creditable service in the Retirement System and must be made before the date any retirement benefit becomes effective for the member; and
 - (b) Interest at a rate, to be set by the Board, not to exceed regular interest by 5 or more percentage points is paid on the unpaid balance. Interest shall be computed from the end of the year when those contributions would have been made, if the service had been in the State, to the date of payment.
- (2) **Manner of Payment.** The payment must be made to the Retirement System consistent with Chapter 406 (94-411 CMR 406) of the rules of the Board.

- I. **Refund of Contributions.** Refunds of contributions to members under The Plan are subject to 5 M.R.S. §§ 18306-A and 18307-A.

- J. **Teachers in Private, Parochial and Other Schools.** A member who qualifies under Section 6, subsection 8, must make contributions into the Members' Contribution Fund for the years of private, parochial or other school service under the following terms and conditions:

- (1) Contributions are calculated on the same basis as the member would have made contributions had the service been as a state employee or teacher in the State. The member's earnings for the years of private or parochial teaching must be assumed to have been the same as the average salary for teachers in the State as determined by the Department of Education for each of the years when the private or parochial school teaching took place.
 - (a) The payment may not be made until the member has accumulated at least 20 years of creditable service in the Retirement system as a member of the participating local district and must be made before the date any retirement benefit becomes effective for the member;
 - (b) Interest at a rate, to be set by the Board, not to exceed regular interest by 5 or more percentage points is paid on the unpaid balance. Interest shall be computed from the end of the year when those contributions would have been made, if the service had been as a state employee or teacher in the State, to the date of payment.
- (2) **Manner of Payment.** The payment must be made to the Retirement System consistent with Chapter 406 (94-411 CMR 406) of the rules of the Board.

- K. **Portability of Service.** A member who elects under 5 M.R.S. §18253, sub-§1, paragraph E to include all or part of the creditable service and earnable compensation from a prior plan with service earned under The Plan may do so under the following terms and conditions:
- (1) Before any retirement benefit becomes effective for that member, the member must pay into the Members' Contribution Fund an amount that, together with regular interest on that amount, is the actuarial equivalent, at the effective date of the retirement benefit, of the portion of the retirement benefit based on the inclusion of the prior plan creditable service and earnable compensation with service earned under The Plan.
 - (2) **Manner of Payment.** The payment must be made to the Retirement System consistent with Chapter 406 (94-411 CMR 406) of the rules of the Board.
- L. **Back contributions for certain days off without pay.** A member who elects under 5 M.R.S. §18305-C to include compensation that would have been paid for days off without pay in order to include those earnings in the calculation of the member's average final compensation as provided in 5 M.R.S. §17001, sub-§4, paragraph A, may do so under the following terms and conditions:
- (1) **Election.** If the retirement system determines at the time a member retires that the member's benefit would be increased as a result of the inclusion of compensation that would have been paid for days off without pay, the retirement system shall advise the member of that result and shall allow the member to elect to have that compensation included in the calculation of the member's benefit and to make payments as set forth in subsection 2.
 - (2) **Payment.** The amount that a member who makes the election permitted in subsection 1 must pay is the amount equal to the employee contribution that member would have made on compensation that would have been paid to that member on the days off without pay, plus interest at the same rate as that required for repayment of withdrawn contributions pursuant to section 18304. If the member elects to make the payment, the retirement system shall withhold the required amount from the member's first retirement benefit check.
 - (3) **Benefit calculation.** If a member fails to make the election within 31 days of the notification provided under subsection 1, the retirement system shall calculate the member's retirement benefit without inclusion of the compensation that would have been paid for the days off without pay.
- M. **Law enforcement service before becoming a member.** A member who qualifies under Section 6, subsection 10 must make contributions into the Members' Contribution Fund for the period of law enforcement service under the following terms and conditions:
- (1) Before any retirement benefit becomes effective for that member, the member must pay into the Members' Contribution Fund an amount that, together with regular interest on that amount, is the actuarial equivalent, at the effective date of the retirement benefit, of the portion of the retirement benefit based on the inclusion of the prior law enforcement service credit with service earned under The Plan.

- (2) **Manner of Payment.** The payment must be made to the Retirement System consistent with Chapter 406 (94-411 CMR 406) of the rules of the Board.

N. Nonmilitary public employee of the United States Government service before becoming a member. A member who qualifies under Section 6, subsection 11 must make contributions into the Member's Contribution Fund for the period of nonmilitary public employment with the United States Government under the following terms and conditions:

- (1) Before any retirement benefit becomes effective for that member, the member must pay into the Member's Contribution Fund an amount that, together with regular interest on that amount, is the actuarial equivalent, at the effective date of the retirement benefit, of the portion of the retirement benefit based on the inclusion of the prior nonmilitary public employment with the United States Government service credit with service earned under The Plan.
- (2) **Manner of Payment.** The payment must be made to the Retirement System consistent with Chapter 406 (94-411 CMR 406) of the rules of the Board.

2. **Employer Contributions.** Contributions by participating local districts whose employees are members under The Plan are subject to 5 M.R.S. §18303, except that contributions and pickup contributions are to be calculated according to Sections 7, 8, and 9, and the following:

- A. **Unpooled Unfunded Actuarial Liability Contribution.** Each participating local district with employees who are members under The Plan shall make a contribution known as the "Unpooled Unfunded Actuarial Liability Contribution" based upon:
- (1) its Initial Unpooled Unfunded Actuarial Liability, which is the excess of projected liabilities allocated to future benefit payments to current recipients of benefits and to current members as of the date its employees begin participation under The Plan over the sum of the participating local district's assets on hand as of that date and its future employer and member normal contributions. The rate for this portion of Unpooled Unfunded Actuarial Liability Contribution shall be determined by a valuation made by the System's actuary for each participating local district with employees who are members under The Plan; and
 - (2) any adjustments to the Initial Unpooled Unfunded Actuarial Liability attributable to that district separately. The rate for this portion of the Unpooled Unfunded Actuarial Liability Contribution shall be added to or subtracted from the rate determined under a.
 - (3) if the calculation required by (1) or (2) above results in a credit balance, the balance may, at the discretion of the participating local district, be applied as an offset against the monthly contribution required in an amount no greater than the total amount of the monthly contribution against which the offset is applied.
- B. **Normal Contribution.** Each participating local district with employees who are members under The Plan, along with those members pursuant to Sections 7, 8, and 9, shall make a contribution known as a "Normal Contribution" based upon the portion

of projected liabilities attributable to service of all members under the several benefit plans under The Plan for the year following the valuation. The rate of this contribution shall be determined annually by a valuation made by the System's actuary based upon the membership data relating to all members under each benefit plan under The Plan and in accordance with Sections 7, 8, and 9.

- C. **Pooled Unfunded Actuarial Liability Contribution.** Each participating local district with employees who are members under The Plan, along with those members pursuant to Sections 7, 8, and 9, shall make a contribution known as the "Pooled Unfunded Actuarial Liability Contribution" based upon the Pooled Unfunded Actuarial Liability. This liability is equal to the present value of all projected benefits for current and future members, including employer contributions related to military service credit under The Plan, less the present value of future member and employer normal contributions, the assets of The Plan and the present value of all Unpooled Unfunded Actuarial Liability contributions. This rate of this contribution shall be determined annually in accordance with Sections 7, 8, and 9.
- D. **Disability Benefit Contribution.** Each participating local district with employees who are members under The Plan shall make a contribution known as a "disability benefit contribution" based upon the expected value of future disability benefits to be paid to those employees, and to employees who are participants in the defined contribution 401(a) plan under this chapter but who are not members under The Plan, as a result of disablements occurring during the year following the valuation date. The rate of this contribution shall be determined annually by a valuation made by the System's actuary based upon the membership data relating to all members under each benefit plan under The Plan and participants in the defined contribution 401(a) plan under this chapter who are not members under The Plan.
- E. **Death Benefit Contribution.** Each participating local district with employees who are members under The Plan shall make a contribution known as a "death benefit contribution" based upon the expected value of future death benefits to be paid to beneficiaries of those employees and to beneficiaries of employees who are participants in the defined contribution plan under this chapter as a result of deaths occurring during the year following the valuation date. The rate of this contribution shall be determined annually by a valuation made by the System's actuary based upon the membership data relating to all members under each benefit plan under The Plan and participants in the defined contribution plan under this chapter.

SECTION 6. CREDITABLE SERVICE

- 1. **Determination of Service Credits.** The determination of service credits for members under The Plan is subject to Chapter 401 (94-411 CMR 401) of the rules of the Board.
- 2. **Prior Service; Service Before Effective Date of District's Participation.** Service credit for service as an employee of a local district before the beginning date of the participation of the employees of a participating local district in the Retirement System shall be granted upon certification by the district, subject to limitations in the district's agreement as provided by Section 2, subsection 2, paragraph D and statutes and rules in effect at the time the service was rendered.
- 3. **Former Member**

- A. **Member who Terminated Service.** Upon complete payment of the withdrawn contributions under Section 5, subsection 1, paragraph B, a member shall be granted service credit for the period of time for which the contributions have been repaid. Upon making partial payment of the withdrawn contributions under Section 5, the member shall be granted service credit on a pro rata basis in accordance with rules adopted by the Board.
 - B. **Service Not under The Plan.** Upon complete payment of the contributions under Section 5, subsection 1, paragraph C, a member shall be granted service credit for the period of time for which the contributions have been paid. Upon making partial payment of the contributions under Section 5, the member shall be granted service credit on a pro rata basis in accordance with rules adopted by the Board.
 - C. **Contributions Withdrawn by Employees Not Covered by Social Security.** The granting of creditable service upon repayment of contributions, under section 5, subsection 1, paragraph E, that were withdrawn by a member who is an employee of a participating local district that is not covered under a Social Security Section 218 agreement but that has a plan that meets the requirements of 5 M.R.S. §18252-B is subject to the provisions of 5 M.R.S. §18252-A as amended by PL 2021, c. 90.
4. **Service in the Armed Forces.** Service credit for service in the Armed Forces of the United States is governed as follows:
- A. **Service after Becoming a Member.** A member is entitled to service credit for the period of time during which the member's membership is continued under Section 3, subsection 5 under the following terms and conditions. Except as provided in subparagraph 3, service credit under this subsection is limited to 5 years.
 - (1) A member's separation from service in the Armed Forces of the United States must be under conditions other than dishonorable.
 - (2) A member is not entitled to service credit for military leave if the member's return to membership service is delayed beyond 90 days after separation from the service in the Armed Forces, unless the delay is caused by an illness or disability incurred in the service in the Armed Forces.
 - (3) A member may not receive service credit for military leave beyond the end of the period of first enlistment or induction or beyond 5 years from the date of original call to active duty in the Armed Forces, whichever is less, unless:
 - (a) The member's return to active duty in the Armed Forces or the extension of the period of service beyond 5 years is required by some mandatory provision; and
 - (b) The member presents proof of the return to or extension of service satisfactory to the Board.
 - B. **Service before Becoming a Member.** A member who served as a full-time active duty member of the Armed Forces of the United States before becoming a member of the Retirement System is entitled to service credit for the period of time the member served in the Armed Forces, under the following terms and conditions. Service credit under this subsection is limited to 4 years.

- (1) Except as provided in paragraph 6, on the date of retirement, the member must have at least 15 years of creditable service.
 - (2) The member must have separated from the Armed Forces under conditions other than dishonorable.
 - (3) Except as provided in subparagraph 4, the member must have begun membership before January 1, 1976.
 - (4) Except as provided in paragraph 6, a member who served in the Armed Forces during any federally recognized period of conflict, as defined in 5 M.R.S. §18360(2)(E), is entitled to service credit under this paragraph.
 - (5) Upon complete payment of the back contributions under Section 5, subsection 1, paragraph F, the member shall be granted service credit for the period of time for which the contributions have been made. Upon making partial payment of the back contributions under Section 5, the member shall be granted service credit on a pro rata basis in accordance with rules adopted by the board.
 - (6) **Alternative.** A member who fails to meet one or more of the terms and conditions required under paragraphs 1, 3 and 4 may purchase service credit as provided in this paragraph. The member must have at least 5 years of creditable service and, before any retirement benefit becomes effective for that member, must pay into the Members' Contribution Fund, an amount that, together with regular interest on that amount, is the actuarial equivalent, at the effective date of the retirement benefit, of the portion of the retirement benefit based on the additional creditable service. Any member who purchases service credit under this paragraph who subsequently, without inclusion of the purchased service credit and prior to retirement, meets the terms and conditions of paragraphs 1, 2 and 4 is entitled to purchase the service credit under Section 5, subsection 1, paragraph F and to receive a refund of the amount paid under this paragraph that exceeds the cost to purchase the service under Section 5.
5. **Out-of-state Service.** For members who began membership before January 1, 1976, additional service credit shall be allowed for out-of-state service, subject to the following conditions.
- A. **20 Years of Creditable Service.** The member must have creditable service in the Retirement System of at least 20 years in the aggregate;
 - B. **Last 10 Years in Maine; 10 Year Limit.** The member's last 10 years of creditable service before the date of retirement must be in the State and no more than 10 years of service credit may be allowed for out-of-state service; and
 - C. **Payment of Contributions.** Upon complete payment of the back contributions under Section 5, subsection 1, paragraph H, subparagraph 2, the member shall be granted service credit for the period of time for which the contributions have been made. Upon making partial payment of the back contributions under Section 5, subsection 1, paragraph H, subparagraph 2, the member shall be granted service credit on a pro rata basis in accordance with rules adopted by the board.

- D. **Alternative.** If service credit for out-of-state service is not allowed under paragraph A and B, service credit for out-of-state service shall be allowed if the member, before any retirement benefit becomes effective for that member, pays into the Members' Contribution Fund, an amount that, together with regular interest on that amount, is the actuarial equivalent, at the effective date of the retirement benefit, of the portion of the retirement benefit based on the additional creditable service. Payments must be made consistent with Chapter 406 (94-411 CMR 406) of the rules of the Board.
- (1) Additional amounts paid under this subsection shall become a part of the member's accumulated contributions.
 - (2) If any retirement benefit becomes effective before the completion of the payment under this subsection, the member is entitled to service credit for that portion of the additional creditable service that the total amount of payments actually made, plus regular interest on those payments to the date the retirement benefit becomes effective, bears to the actuarial equivalent of the total portion of the retirement benefit based on the additional creditable service.
- E. **Service Credit not to be Used in Another State.** Any application for a retirement benefit for which out-of-state service credit is to be granted must be accompanied by a certified statement from the appropriate retirement system that the out-of-state service credit granted has not been or will not be used to obtain benefits in another state.
6. **Disability Retirement Service Credit.** A recipient of a disability retirement benefit shall receive service credit for the purpose of determining benefits under The Plan for the period of time following termination of service during which disability retirement benefits are being received under 5 M.R.S. Chapter 425, subchapter V, article 3-A.
7. **Unused Sick Leave or Vacation Leave**
- A. **Earnable Compensation.** A member's earnable compensation does not include payment for unused accumulated or accrued sick leave, unused vacation time, or a combination of both, or any other payment that is not compensation for actual services rendered or that is not paid at the time the actual services are rendered, except that for a member with at least 20 years of creditable service under The Plan at the effective date of the member's retirement, and for a recipient of a disability retirement benefit, earnable compensation includes payment for unused accumulated or accrued sick leave, unused vacation time, or a combination of both, up to a maximum of 30 days, if paid upon the member's last termination before the member applies for retirement benefits.
 - B. **Service Credit.** A member may not receive service credit for unused accumulated or accrued sick leave, unused vacation leave, or a combination of both, for which a member is credited on termination of service, but for which the member does not receive payment, except under the following conditions.
 - (1) Leave, up to a lifetime maximum of 90 days, qualifies for service credit for a member with at least 20 years of creditable service under The Plan, before the application of this sub-paragraph, at the effective date of the member's retirement.

- (2) Leave, up to a lifetime maximum of 90 days, qualifies for service credit for a recipient of a disability retirement benefit, at the effective date of the member's disability retirement.
 - (3) Leave, including leave beyond 90 days, may qualify for service credit, up to the maximum number of days of leave, set by personnel rules or by contract, that a person is allowed to accumulate, if, the member, before any retirement benefit becomes effective for the member, pays into the Members' Contribution Fund, a single payment which is the actuarial equivalent, at the effective date of the member's retirement benefit, of the portion of the member's retirement benefit based on the additional creditable service beyond 90 days.
8. **Teachers in Private, Parochial and Other Schools.** A member who taught in a parochial school or in a public or private academy may purchase up to 10 years of service credit for that service under the following conditions.
 - A. The member must have taught in a school approved by the Department of Education or the education department of another state while holding an appropriate teaching certificate;
 - B. **20 Years of Creditable Service.** The member must have 20 years of creditable service as a member of the participating local district;
 - C. **Membership before January 1, 1976.** The member must have begun membership before January 1, 1976;
 - D. **Last 10 Years in Participating Local District.** The member's last 10 years of creditable service before the date of retirement must be as a member of the participating local district; and
 - E. **Payment of Contributions.** Upon complete payment of the back contributions under Section 5, subsection 1, paragraph K, subparagraph 2, the member shall be granted service credit for the period of time for which the contributions have been made. Upon making partial payment of the back contributions under Section 5, subsection 1, paragraph K, subparagraph 2, the member shall be granted service credit on a pro rata basis in accordance with rules adopted by the board.
 - F. **Alternative.** If service credit for private, parochial or other school service is not allowed under paragraphs B and C, additional service credit is allowed for any member who meets the requirements of paragraphs A and D, if the member, before any retirement benefit becomes effective for that member, pays into the Members' Contribution Fund an amount that, together with regular interest on that amount, is the actuarial equivalent, at the effective date of the retirement benefit, of the portion of the retirement benefit based on the additional creditable service. Payments must be made consistent with Chapter 406 (94-411 CMR 406) of the rules of the Board.
 - (1) Additional amounts paid under this subsection shall become a part of the member's accumulated contributions.
 - (2) If any retirement benefit becomes effective before the completion of the payment under this subsection, the member is entitled to service credit for that portion of the additional creditable service that the total amount of payments actually made, plus regular interest on those payments to the date the retirement

benefit becomes effective, bears to the actuarial equivalent of the total portion of the retirement benefit based on the additional creditable service.

9. **Other Schools and Programs.** A member who terminates service in the State and teaches under the Volunteers in Service to America Program, the Fulbright Exchange Program or the Peace Corps, foreign or domestic, or teaches children of United States Foreign Corps personnel outside the continental limits of the United States is entitled to service credit for that service under the following conditions.
 - A. **2 Year Limit.** The service credit may not exceed 2 years.
 - B. **Return to Active Service.** The member must return to active service as a member of the retirement system within one year of the completion of the teaching outside of the State described in this section.
 - C. **Payment of Contributions.** The member, before any retirement benefit becomes effective for that member, must pay into the Members' Contribution Fund an amount that, together with regular interest on that amount, is the actuarial equivalent, at the effective date of the retirement benefit, of the portion of the retirement benefit based on the additional creditable service. Payments must be made consistent with Chapter 406 (94-411 CMR 406) of the rules of the Board.
10. **Law enforcement service before becoming a member.** A member who served as a full-time law enforcement officer with a federal, state, county or local law enforcement agency before becoming a member, and who did not decline membership under section 3, subsection 2, during the period of prior law enforcement service, is entitled under this subsection to purchase service credit for the period of time that the member served as a law enforcement officer under the following conditions:
 - A. **15 years of creditable service.** The member must have at least 15 years of creditable service at the time of retirement.
 - B. **4 year limit.** Service credit purchased under this subsection is limited to 4 years.
 - C. **Service credit not to be used for other benefits.** The member must provide a certified statement from the appropriate retirement system that the service credit to be granted has not been and will not be used to obtain other retirement benefits.
 - D. **Payment of contributions.** The member must complete payment of contributions as required by Section 5, subsection 1, paragraph M.
 - (1) Additional amounts paid under this subsection shall become a part of the member's accumulated contributions.
 - (2) If any retirement benefit becomes effective before the completion of the payment under this subsection, the member is entitled to service credit for that portion of the additional creditable service that the total amount of payments actually made, plus regular interest on those payments to the date the retirement benefit becomes effective, bears to the actuarial equivalent of the total portion of the retirement benefit based on the additional creditable service.

11. **Nonmilitary public employee of the United States government service.** A member who served as a nonmilitary public employee of the United States Government before becoming a

member is entitled under this subsection to purchase service credit for the period of time that the member served as a nonmilitary public employee of the United States Government under the following conditions:

A. 5 year limit. Service credit purchased under this subsection is limited to 5 years.

B. Payment of contributions. The member must complete payment of contributions as required by Section 5, subsection 1, paragraph N.

(2) Additional amounts paid under this subsection shall become a part of the member's accumulated contributions.

(2) If any retirement benefit becomes effective before the completion of the payment under this subsection, the member is entitled to service credit for that portion of the additional creditable service that the total amount of payments actually made, plus regular interest on those payments to the date the retirement benefit becomes effective, bears to the actuarial equivalent of the total portion of the retirement benefit based on the additional creditable service.

SECTION 7. REGULAR SERVICE RETIREMENT BENEFIT PLANS

Payment of benefits to members under The Plan is subject to the provisions of 5 M.R.S. §§ 18403 – 18405-A, 18409 - 18413.

1. **Regular Benefit Plan AC.** Regular Benefit Plan AC may be elected by any participating local district or local district.

A. **Contribution Rate.** Subject to Section 15, subsection 1, and the rate caps under Section 9, employer and employee contributions shall be set annually by the Board based on the recommendations of the System's actuary in accordance with the following:

- (1) The Plan's unfunded actuarial liability as of June 30, 2018, shall be paid in an actuarially sound manner and allocated between the employer and employee in a ratio approved by the Board based on the recommendation of the Participating Local District Advisory Committee;
- (2) Any Plan unfunded actuarial liability created beginning July 1, 2018, shall be paid through employer and employee contributions allocated 58% to the employer and 42% to the employee;
- (3) The normal cost shall be paid through employer and employee contributions allocated 58% to the employer and 42% to the employee.; and
- (4) Rates shall reflect any differences in actuarial assumptions and experience and shall be based on whether the member is subject to paragraphs B or B-1.

B. **Qualification for Benefit Prior to July 1, 2014.** A member of The Plan prior to July 1, 2014 qualifies for a service retirement benefit under this paragraph when one of the following occurs:

- (1) The member is in service when reaching 60 years of age, or is in service after reaching 60 years of age, and has been in service for a minimum of one-year immediately before retirement or except as provided in sub-paragraph 4 has at least 10 years of creditable service, which may include creditable service as a member of the Legislative Retirement Program under 3 M.R.S. §701, sub-§8;
- (2) The member is not in service when reaching 60 years of age, and except as provided in sub-paragraph 4 has at least 10 years of creditable service, which may include creditable service as a member of the Legislative Retirement Program under 3 M.R.S. §701, sub-§8; or
- (3) The member has completed 25 or more years of creditable service, which may include, for the purpose of meeting eligibility requirements, creditable service as a member of the Legislative Retirement Program under 3 M.R.S. §701, sub-§8.
- (4) The member has at least 5 years of creditable service, which, for the purpose of determining completion of the 5-year requirement, may include creditable service as a member of the Legislative Retirement Program, and:
 - (a) Was in service on October 1, 1999;
 - (b) Had left prior to October 1, 1999 with or without withdrawing contributions and on or after October 1, 1999 returned to service; or
 - (c) Was first in service on or after October 1, 1999.

B-1. Qualification for Benefit after July 1, 2014. A member who was not covered by The Plan prior to July 1, 2014 qualifies for a service retirement benefit under this paragraph when one of the following occurs:

- (1) The member is in service when reaching 65 years of age, or is in service after reaching 65 years of age, and has been in service for a minimum of one year immediately before retirement or has at least 5 years of creditable service, which may include creditable service as a member of the Legislative Retirement Program under 3 M.R.S. §701, sub-§8;
- (2) The member is not in service when reaching 65 years of age and has at least 5 years of creditable service, which may include creditable service as a member of the Legislative Retirement Program under 3 M.R.S. §701, sub-§8; or
- (3) The member has completed 25 or more years of creditable service, which may include, for the purpose of meeting eligibility requirements, creditable service as a member of the Legislative Retirement Program under 3 M.R.S. §701, sub-§8.

C. Computation of Benefit - Retirement at Normal Retirement Age or Later.

Subject to the requirements of Section 4, subsection 6, the total amount of the service retirement benefit for a member qualified under paragraph B, subparagraphs 1, 2 or 4 or under paragraph B-1, equals:

- (1) $\frac{1}{50}$ of the member's average final compensation multiplied by the number of years of creditable service under The Plan; and

- (2) If the member had creditable service, with the member's current employer before that employer's employees were under The Plan, the benefit for that creditable service is calculated on the basis of:
 - (a) $\frac{1}{50}$ of the member's average final compensation multiplied by the number of years of creditable service, if, before being under The Plan, the service retirement benefit for that employer's employees was based upon the $\frac{1}{50}$ formula;
 - (b) $\frac{1}{60}$ of the member's average final compensation multiplied by the number of years of creditable service, if, before being under The Plan, the service retirement benefit for that employer's employees was based upon the $\frac{1}{60}$ formula;
 - (c) $\frac{1}{70}$ of the member's average final compensation multiplied by the number of years of creditable service, if, before being under The Plan, the service retirement benefit for that employer's employees was based upon the $\frac{1}{70}$ formula;
- (3) If the member had creditable service with an employer other than the member's current employer before becoming a member under The Plan for which the member's current employer has not accepted liability, and for which the member has not made the election under 5 M.R.S. §18253, sub-§1, paragraph E, the benefit for that creditable service is calculated on the basis of creditable service and earnable compensation with the previous employer and in accordance with the previous employer's regular service retirement plan immediately before the previous employer's employees became members under The Plan or the previous employer withdrew from the System. If the previous employer has neither begun participation in The Plan nor withdrawn from the System, the benefit is calculated on the basis of the previous employer's plan at the time of the member's retirement.
- (4) If the member has prior service credit, the benefit for that service is calculated on the basis of the applicable formula of paragraph C (2) above, as adopted by the district for prior service credit.

D. Computation of Benefit - Retirement before Normal Retirement Age - With Creditable Service of 25 Years or More. Subject to the requirements of Section 4, subsections 5 and 6, the amount of the service retirement benefit for a member who retires prior to normal retirement age shall be computed as follows:

- (1) The amount of the service retirement benefit for a member qualified under paragraph B, subparagraph 3, who has 20 or more years of creditable service under The Plan as of July 1, 2019, shall be computed in accordance with paragraph C, except that:
 - (a) The amount arrived at under paragraph C shall be reduced by applying to that amount the percentage that a life annuity due at age 60 bears to the life annuity due at the age of retirement.

(b) For the purpose of making the computation under division a, the Board-approved tables of annuities in effect at the date of the member's retirement shall be used.

(2) The amount of the service retirement benefit for a member qualified under paragraph B-1, subparagraph 3, who, pursuant to Title 5, Section 18253, has 20 or more years of creditable service under The Plan as of July 1, 2019, shall be computed in accordance with paragraph C, except that the benefit is reduced by 6% for each year that the member's age precedes 65 years of age.

(3) The amount of the service retirement benefit for all other members shall be computed in accordance with paragraph C, except that the amount arrived at under paragraph C shall be reduced to reflect the full actuarial impact of the early retirement. ~~At the election of the member, any cost of living adjustments pursuant to Section 9 shall not be applied until the member has reached age 60, for a member to whom paragraph B applies, or age 65, for a member to whom paragraph B-1 applies, and the actuarial impact shall reflect this election.~~

E. **Cost of Living Adjustments.** ~~Subject to paragraph D, subparagraph 2, a~~ All benefits based upon creditable service under this service retirement benefit plan are subject to cost of living adjustments as provided by Section 9. Benefits based upon creditable service earned before a member was under The Plan will be subject to cost of living adjustments only if the employer's plan provided for cost of living adjustments.

2. **Regular Benefit Plan AN.** Regular Benefit Plan AN may be elected by any participating local district or local district.

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

3. **Regular Benefit Plan BC.** Regular Benefit Plan BC may be elected by any participating local district or local district which covers its employees under the Federal Social Security program under a Section 218 Agreement. Any current employee who was a member under a plan which provided benefits under the 1/50 or 1/60 formula with a cost of living adjustment may elect to be under Regular Benefit Plan A and any current employee who was under a plan which provided benefits under the 1/50 or 1/60 or 1/70 formula without cost of living adjustments may elect to be under Regular Benefit Plan AN. Regular Benefit Plans AC and AN require that members make contributions at the rate as set forth in subsections 1 and 2. For the purposes of this subsection, "current employee" means a person whose employment with a participating local district began prior to the date on which participation in The Plan for that district's employees begins and who is a member as an employee of that district on that date.

A. **Contribution Rate.** Employer and employee contribution rates are set in the same manner and subject to the same requirements as Regular Benefit Plan AC.

B. **Qualification for Benefit.** The requirements for a member to qualify for a service retirement benefit under this paragraph are exactly the same as under Regular Benefit Plan AC - subsection 1, paragraphs B and B-1.

C. **Computation of Benefit - Retirement at Normal Retirement Age or Later.** Subject to the requirements of Section 4, subsection 6, the total amount of the service

retirement benefit for a member qualified as specified in subsection 1, paragraph B, subparagraph 1, 2 or 4 or under subsection 1, paragraph B-1 equals:

- (1) 1/100 of the member's average final compensation multiplied by the number of years of membership service under The Plan; and
- (2) If the member had creditable service, with the member's current employer before that employer's employees were under The Plan, the benefit for that creditable service is calculated on the basis of:
 - (a) 1/50 of the member's average final compensation multiplied by the number of years of creditable service, if, before being under The Plan, the service retirement benefit for that employer's employees was based upon the 1/50 formula;
 - (b) 1/60 of the member's average final compensation multiplied by the number of years of creditable service, if, before being under The Plan, the service retirement benefit for that employer's employees was based upon the 1/60 formula;
 - (c) 1/70 of the member's average final compensation multiplied by the number of years of creditable service, if, before being under The Plan, the service retirement benefit for that employer's employees was based upon the 1/70 formula;
- (3) If the member had creditable service with an employer other than the member's current employer before becoming a member under The Plan for which the member's current employer has not accepted liability, and for which the member has not made the election under 5 M.R.S. §18253, sub-§1, paragraph E, the benefit for that creditable service is calculated on the basis of creditable service and earnable compensation with the previous employer and in accordance with the previous employer's regular service retirement plan immediately before the previous employer's employees became members under The Plan or the previous employer withdrew from the System. If the previous employer has neither begun participation in The Plan nor withdrawn from the System, the benefit is calculated on the basis of the previous employer's plan at the time of the member's retirement.
- (4) If the member has prior service credit, the benefit for that service is calculated on the basis of the applicable formula of paragraph C (2) above, as adopted by the district for prior service credit.

D. Computation of Benefit - Retirement before Normal Retirement Age - With Creditable Service of 25 Years or More. Subject to the requirements of Section 4, subsections 5 and 6, the amount of the service retirement benefit for a member who retires prior to normal retirement age shall be computed as follows:

- (1) The amount of the service retirement benefit for a member qualified as specified in subsection 1, paragraph B, subparagraph 3, who has 20 or more years of creditable service under The Plan as of July 1, 2019, shall be computed in accordance with paragraph C, except that:

- (a) The amount arrived at under paragraph C shall be reduced by applying to that amount the percentage that a life annuity due at age 60 bears to the life annuity due at the age of retirement.
 - (b) For the purpose of making the computation under subparagraph 1, the board-approved tables of annuities in effect at the date of the member's retirement shall be used.
 - (2) The amount of the service retirement benefit for a member qualified under subsection 1, paragraph B-1, subparagraph 3, who, pursuant to Title 5, Section 18253, has 20 or more years of creditable service under The Plan as of July 1, 2019, shall be computed in accordance with subsection 1, paragraph C, except that the benefit is reduced by 6% for each year that the member's age precedes 65 years of age.
 - (3) The amount of the service retirement benefit for all other members shall be computed in accordance with paragraph C, except that the amount arrived at under Paragraph C shall be reduced to reflect the full actuarial impact of the early retirement. ~~At the election of the member, any cost of living adjustments pursuant to Section 9 shall not be applied until the member has reached age 60, for a member to whom subsection 1, paragraph B applies, or age 65, for a member to whom subsection 1, paragraph B-1 applies, and the actuarial impact shall reflect this election.~~
- E. **Cost of Living Adjustments.** ~~Subject to paragraph D, subparagraph 2, a~~ All benefits based upon creditable service under this service retirement benefit plan are subject to cost of living adjustments as provided by Section 9. Benefits based upon creditable service earned before a member was under The Plan will be subject to cost of living adjustments only if the employer's plan provided for cost of living adjustments.
4. **Minimum Benefit.** Any member under The Plan who has 10 or more years of creditable service at retirement is entitled to a minimum service retirement benefit of \$100 per month.

SECTION 8. SPECIAL SERVICE RETIREMENT BENEFIT PLANS

Payment of benefits to members under The Plan is subject to the provisions of 5 M.R.S. §§ 18403 – 18405-A, 18409-18413. If, upon electing to participate in The Plan, a participating local district elects a special benefit plan other than the special benefit plan that a member is then covered under, the member may elect to continue under the special benefit plan under which the member is then covered. The member's election must be made as of the date on which the district's participation in The Plan begins and may not be changed thereafter. Members having membership service under special plans prior to July 1, 1977, are entitled to the alternative benefit computation based on that service in accordance with the applicable provision of 5 M.R.S. §18453. A member who does not qualify to retire under a special service retirement plan may retire under a regular service retirement plan at any time after the member qualifies under Section 7. The service retirement benefit for all service is computed as provided in Section 7.

- 1. **Special Benefit Plan 1C.** Special Benefit Plan 1C may be elected by any participating local district or local district for police officers, firefighters, sheriffs, full-time deputy sheriffs, county corrections employees who are employed at a county jail and whose duties include contact with prisoners or juvenile detainees, and emergency medical services persons as

defined in Title 32 M.R.S. §83, sub-§12, including but not limited to first responders, emergency medical technicians, advanced emergency medical technicians and paramedics.

- A. **Contribution Rate.** Subject to Section 15, subsection 1, and to the rate caps under Section 9, employer and employee contributions shall be set annually by the Board based on the recommendations of the System's actuary in accordance with the following:
- (1) The Plan's unfunded actuarial liability as of June 30, 2018, shall be paid in an actuarially sound manner and allocated between the employer and employee in a ratio approved by the Board based on the recommendation of the Participating Local District Advisory Committee;
 - (2) Any Plan unfunded actuarial liability created beginning July 1, 2018, shall be paid through employer and employee contributions allocated 58% to the employer and 42% to the employee; and
 - (3) The normal cost shall be paid through employer and employee contributions allocated 58% to the employer and 42% to the employee.
- B. **Qualification for Benefit**
- (1) A member qualifies for a service retirement benefit under this subsection when the member has completed 20 years of creditable service as an employee in one or more of the types of employment specified in this subsection and specified by the district as covered under this plan. If the member had creditable service under a special plan with the member's current employer before that employer's employees became members under The Plan, that creditable service is counted when determining the member's qualification for this benefit;
 - (2) A member who has accrued service credits under a regular service retirement plan before accruing service under this plan, and for whom the regular plan service credits are considered service under The Plan as provided by Section 4, subsection 1, may use those service credits toward qualifying to retire under this plan at the rate of one year of special plan service credit for each two years of regular plan service credit; and
 - (3) Except for employees who are entitled, under the current employer's plan in effect before the employer's employees become members under The Plan, to use military service credits to qualify for service retirement benefits, service credits for service in the Armed Forces before becoming a member, under Section 6, subsection 4, paragraph B, apply only to additional retirement benefits under this plan and the service credits do not apply to service requirements to qualify for retirement benefits.
 - (4) Service credits for law enforcement service before becoming a member, under Section 6, subsection 10, apply only to additional retirement benefits under this plan and the service credits do not apply to service requirements to qualify for retirement benefits.
- C. **Computation of Benefit.** Subject to the requirements of Section 4, subsections 5 and 6, the total amount of the service retirement benefit for a member qualified under

paragraph B, equals 1/2 of the member's average final compensation and, subject to the limitations of subsection J, an additional 2% of the member's average final compensation for each year of creditable service not included in determining qualification under paragraph B.

- (1) If the member had creditable service under a special plan, with the member's current employer, before that employer's employees became members under The Plan, that creditable service is used when calculating the benefit under this paragraph.
- (2) If the member had creditable service with an employer other than the member's current employer before becoming a member under The Plan for which the member's current employer has not accepted liability, and for which the member has not made the election under 5 M.R.S. §18253, sub-§1, paragraph E, the benefit for that creditable service is calculated on the basis of creditable service and earnable compensation with the previous employer and in accordance with the previous employer's regular service retirement plan immediately before the previous employer's employees became members under The Plan or the previous employer withdrew from the System. If the previous employer has neither begun participation in The Plan nor withdrawn from the System, the benefit is calculated on the basis of the previous employer's plan at the time of the member's retirement.

D. **Cost of Living Adjustments.** All benefits based upon creditable service under this service retirement benefit plan are subject to cost of living adjustments as provided by Section 9. Benefits based upon creditable service earned before a member was under The Plan will be subject to cost of living adjustments only if the employer's plan provided for cost of living adjustments.

2. **Special Benefit Plan 1N.** Special Benefit Plan 1N may be elected by any participating local district or local district.

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

3. **Special Benefit Plan 2C.** Special Benefit Plan 2C may be elected by any participating local district or local district for police officers, firefighters, sheriffs, full-time deputy sheriffs, county corrections employees who are employed at a county jail and whose duties include contact with prisoners or juvenile detainees, emergency medical services persons as defined in Title 32 M.R.S. §83, sub-§12, including but not limited to first responders, emergency medical technicians, advanced emergency medical technicians and paramedics, and dispatchers as defined in 5 M.R.S. §18313, sub-§1. A district may also elect this plan for all of its employees.

A. **Contribution Rate.** Subject to Section 15, subsection 1, and to the rate caps under Section 9, employer and employee contributions shall be set annually by the Board based on the recommendations of the System's actuary in accordance with the following:

- (1) The Plan's unfunded actuarial liability as of June 30, 2018, shall be paid in an actuarially sound manner and allocated between the employer and employee in a ratio approved by the Board based on the recommendation of the Participating Local District Advisory Committee;

- (2) Any Plan unfunded actuarial liability created beginning July 1, 2018, shall be paid through employer and employee contributions allocated 58% to the employer and 42% to the employee; and
- (3) The normal cost shall be paid through employer and employee contributions allocated 58% to the employer and 42% to the employee.

B. Qualification for Benefit

- (1) A member qualifies for a service retirement benefit under this subsection when the member has completed 25 years of creditable service as an employee in one or more of the types of employment specified in this subsection and specified by the district as covered under this plan. If the member had creditable service under a special plan with the member's current employer before that employer's employees became members under The Plan, that creditable service is counted when determining the member's qualification for this benefit; and
- (2) A member who has accrued service credits under a regular service retirement plan before accruing service under this plan, and for whom the regular plan service credits are considered service under The Plan as provided by Section 4, subsection 1, may use those service credits toward qualifying to retire under this plan at the rate of two years of special plan service credit for each three years of regular plan service credit.

C. Computation of Benefit. Subject to the requirements of Section 4, subsections 5 and 6, the total amount of the service retirement benefit for a member qualified under paragraph 2, equals 1/2 of the member's average final compensation and, subject to the limitations of subsection J, an additional 2% of the member's average final compensation for each year of creditable service not included in determining qualification under paragraph B.

- (1) If the member had creditable service under a special plan, with the member's current employer, before that employer's employees became members under The Plan, that creditable service is used when calculating the benefit under this paragraph.
- (2) If the member had creditable service with an employer other than the member's current employer before becoming a member under The Plan for which the member's current employer has not accepted liability, and for which the member has not made the election under 5 M.R.S. §18253, sub-§1, paragraph E, the benefit for that creditable service is calculated on the basis of creditable service and earnable compensation with the previous employer and in accordance with the previous employer's regular service retirement plan immediately before the previous employer's employees became members under The Plan or the previous employer withdrew from the System. If the previous employer has neither begun participation in The Plan nor withdrawn from the System, the benefit is calculated on the basis of the previous employer's plan at the time of the member's retirement.

D. Cost of Living Adjustments. All benefits based upon creditable service under this service retirement benefit plan are subject to cost of living adjustments as provided

by Section 9. Benefits based upon creditable service earned before a member was under The Plan will be subject to cost of living adjustments only if the employer's plan provided for cost of living adjustments.

4. **Special Benefit Plan 2N.** Special Benefit Plan 2N may be elected by any participating local district or local district.

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

5. **Special Benefit Plan 3C.** Special Benefit Plan 3C may be elected by any participating local district or local district for police officers, firefighters, sheriffs, full-time deputy sheriffs, county corrections employees who are employed at a county jail and whose duties include contact with prisoners or juvenile detainees, emergency medical services persons as defined in Title 32 M.R.S. §83, sub-§12, including but not limited to first responders, emergency medical technicians, advanced emergency medical technicians and paramedics, and dispatchers as defined in 5 M.R.S. §18313, sub-§1.

- A. **Contribution Rate.** The contribution rate for members under Special Benefit Plan 3C is as set out below until the completion of 25 years of creditable service under this special benefit plan, after which the members contribute at the same rate of earnable compensation as paid by members who contribute under Regular Plan AC as set forth in Section 7, subsection 1, paragraph A. Subject to Section 15, subsection 1, and to the rate caps under Section 9, employer and employee contributions shall be set annually by the Board based on the recommendations of the System's actuary in accordance with the following:

- (1) The Plan's unfunded actuarial liability as of June 30, 2018, shall be paid in an actuarially sound manner and allocated between the employer and employee in a ratio approved by the Board based on the recommendation of the Participating Local District Advisory Committee;
- (2) Any Plan unfunded actuarial liability created beginning July 1, 2018, shall be paid through employer and employee contributions allocated 58% to the employer and 42% to the employee; and
- (3) The normal cost shall be paid through employer and employee contributions allocated 58% to the employer and 42% to the employee.

- B. **Qualification for Benefit**

- (1) A member qualifies for a service retirement benefit under this subsection when the member has completed 25 years of creditable service as an employee in one or more of the types of employment specified in this subsection and specified by the district as covered under this plan. If the member had creditable service under a special plan with the member's current employer before that employer's employees became members under The Plan, that creditable service is counted when determining the member's qualification for this benefit; and
- (2) A member who has accrued service credits under a regular service retirement plan before accruing service under this plan, and for whom the regular plan service credits are considered service under The Plan as

provided by Section 4, subsection 1, may use those service credits toward qualifying to retire under this plan at the rate of two years of special plan service credit for each three years of regular plan service credit.

- C. **Computation of Benefit.** Subject to the requirements of Section 4, subsections 5 and 6, the total amount of the service retirement benefit for a member qualified under paragraph 2, equals $\frac{2}{3}$ of the member's average final compensation and, subject to the limitations of subsection J, an additional 2% of the member's average final compensation for each year of creditable service not included in determining qualification under paragraph B.
- (1) If the member had creditable service under a special plan, with the member's current employer, before that employer's employees became members under The Plan, that creditable service is used when calculating the benefit under this paragraph.
 - (2) If the member had creditable service with an employer other than the member's current employer before becoming a member under The Plan for which the member's current employer has not accepted liability, and for which the member has not made the election under 5 M.R.S. §18253, sub-§1, paragraph E, the benefit for that creditable service is calculated on the basis of creditable service and earnable compensation with the previous employer and in accordance with the previous employer's regular service retirement plan immediately before the previous employer's employees became members under The Plan or the previous employer withdrew from the System. If the previous employer has neither begun participation in The Plan nor withdrawn from the System, the benefit is calculated on the basis of the previous employer's plan at the time of the member's retirement.
- D. **Cost of Living Adjustments.** All benefits based upon creditable service under this service retirement benefit plan are subject to cost of living adjustments as provided by Section 9. Benefits based upon creditable service earned before a member was under The Plan will be subject to cost of living adjustments only if the employer's plan provided for cost of living adjustments.
6. **Special Benefit Plan 3N.** Special Benefit Plan 3N may be elected by any participating local district or local district.
- This benefit plan is identical to Special Benefit Plan 3C, except that there is no provision for cost of living adjustments.
7. **Special Benefit Plan 4C.** Special Benefit Plan 4C may be elected by any participating local district or local district for police officers, firefighters, sheriffs, full-time deputy sheriffs, county corrections employees who are employed at a county jail and whose duties include contact with prisoners or juvenile detainees, emergency medical services persons as defined in Title 32 M.R.S. §83, sub-§12, including but not limited to first responders, emergency medical technicians, advanced emergency medical technicians and paramedics, and dispatchers as defined in 5 M.R.S. §18313, sub-§1.
- A. **Contribution Rate.** The contribution rate for members under Special Benefit Plan 4C is as set out below until the completion of 25 years of creditable service under this special benefit plan, after which the members contribute at the same rate of earnable compensation as paid by members who contribute under Regular Plan AC

as set forth in Section 7, subsection 1, paragraph A. Subject to Section 15, subsection 1, and to the rate caps under Section 9, employer and employee contributions shall be set annually by the Board based on the recommendations of the System's actuary in accordance with the following:

- (1) The Plan's unfunded actuarial liability as of June 30, 2018, shall be paid in an actuarially sound manner and allocated between the employer and employee in a ratio approved by the Board based on the recommendation of the Participating Local District Advisory Committee;
- (2) Any Plan unfunded actuarial liability created beginning July 1, 2018, shall be paid through employer and employee contributions allocated 58% to the employer and 42% to the employee; and
- (3) The normal cost shall be paid through employer and employee contributions allocated 58% to the employer and 42% to the employee.

B. Qualification for Benefit

- (1) A member qualifies for a service retirement benefit under this subsection when the member has completed 25 years of creditable service as an employee in one or more of the types of employment specified in this subsection and specified by the district as covered under this plan. If the member had creditable service under a special plan with the member's current employer before that employer's employees became members under The Plan, that creditable service is counted when determining the member's qualification for this benefit; and
- (2) A member who has accrued service credits under a regular service retirement plan before accruing service under this plan, and for whom the regular plan service credits are considered service under The Plan as provided by Section 4, subsection 1, may use those service credits toward qualifying to retire under this plan at the rate of two years of special plan service credit for each three years of regular plan service credit.

C. Computation of Benefit. Subject to the requirements of Section 4, subsections 5 and 6, the total amount of the service retirement benefit for a member qualified under paragraph B, equals:

- (1) If the member retires after reaching age 55, $1/50$ of the member's average final compensation multiplied by the number of years of creditable service;
- (2) If the member retires before reaching age 55, $1/50$ of the member's average final compensation multiplied by the number of years of creditable service reduced as follows:
 - (a) For a member who was covered by The Plan prior to July 1, 2014, who has 20 or more years of creditable service under The Plan as of July 1, 2019, the benefit is reduced by applying to that amount the percentage that a life annuity due at age 55 bears to the life annuity due at the age of retirement.

- (b) For a member who was not covered by The Plan prior to July 1, 2014, but who, pursuant to Title 5, Section 18253, has 20 or more years of creditable service under The Plan as of July 1, 2019, the benefit is reduced by 6% for each year that the member's age precedes 55 years of age.
 - (c) For all other members, the benefit is reduced to reflect the full actuarial impact of the early retirement. ~~At the election of the member, any cost of living adjustments pursuant to Section 9 shall not be applied until the member has reached age 55, and the actuarial impact shall reflect this election.~~
 - (3) If the member had creditable service under a special plan, with the member's current employer, before that employer's employees became members under The Plan, that creditable service is used when calculating the benefit under this paragraph.
 - (4) If the member had creditable service with an employer other than the member's current employer before becoming a member under The Plan for which the member's current employer has not accepted liability, and for which the member has not made the election under 5 M.R.S. §18253, sub-§1, paragraph E, the benefit for that creditable service is calculated on the basis of creditable service and earnable compensation with the previous employer and in accordance with the previous employer's regular service retirement plan immediately before the previous employer's employees became members under The Plan or the previous employer withdrew from the System. If the previous employer has neither begun participation in The Plan nor withdrawn from the System, the benefit is calculated on the basis of the previous employer's plan at the time of the member's retirement.
- D. **Cost of Living Adjustments.** ~~Subject to paragraph C, subparagraph 2, a~~ All benefits based upon creditable service under this service retirement benefit plan are subject to cost of living adjustments as provided by Section 9. Benefits based upon creditable service earned before a member was under The Plan will be subject to cost of living adjustments only if the employer's plan provided for cost of living adjustments.
8. **Special Benefit Plan 4N.** Special Benefit Plan 4N may be elected by any participating local district or local district prior to February 1, 2024.
- This benefit plan is identical to Special Benefit Plan 4C, except that there is no provision for cost of living adjustments.
9. **Transfer from Special Plan Position to Non-Special Plan Position Due to Disability.** A member who has not completed the service requirements for retirement under a special service retirement benefit plan, upon becoming disabled as defined in section 18521, and upon becoming reemployed in a position not under a special service retirement benefit plan shall upon retirement receive retirement benefits as follows:
- A. The part of the member's service retirement based upon membership service before becoming disabled shall be computed according to the formula for computing benefits under the member's previous special plan.

- B. The part of the member's service retirement based upon membership service after becoming reemployed in a position not under a special plan shall be computed according to the formula for computing benefits under the member's previous special plan.
 - C. If the member is found to be no longer disabled, as defined in section 18521, the member may:
 - (1) Return to a position in the member's previous special plan; or
 - (2) Remain in the position which is not under a special plan and have the part of the member's service retirement benefit based upon post-disability service computed in accordance with the applicable regular service retirement benefit plan under Section 7.
 - D. The executive director may require that a member subject to this subsection submit records and undergo medical examinations or tests to determine the member's disability for purposes of paragraph C.
 - (1) If the member refuses to submit records or undergo the examination or tests under this paragraph, the member's retirement benefit shall be based upon the applicable regular service retirement benefit plan under Section 7 until the member withdraws the refusal.
 - (2) If the member's refusal under subparagraph 1 continues for one year, all the member's rights to any further benefit under this subsection shall cease.
10. **Additional 2% Benefit.** The additional 2% of average final compensation benefit provided to members under the special service retirement plans in this section is applicable only to service credits earned with relation to service rendered after a member becomes a member under The Plan. A member is also entitled to this benefit for service rendered before becoming a member under The Plan to the extent that the member was entitled to the benefit under the member's current employer's retirement plan that was in effect immediately before the employer's employees became members under The Plan.

SECTION 9. COST OF LIVING ADJUSTMENTS; CONTRIBUTION CAPS

- 1. **Cost of Living Adjustments.** Subject to subsections 2, 3, 4 and 5, the cost-of-living adjustment shall be determined as follows.
 - A. Except as provided in subsections 2, 3 and 4, whenever there is a percentage increase in the Consumer Price Index from July 1 of the previous year to June 30 of the current year, the Board shall automatically make an equal percentage increase in retirement benefits, beginning in September, up to a maximum annual increase of 2.5%.
 - B. If there is a percentage decrease in the Consumer Price Index from July 1st to June 30th, the Board shall set the percentage change at 0% for that September. The adjustment for the following year must be set based on the actuarially compounded Consumer Price Index for both years in a cost-neutral manner. If the Consumer Price Index in the subsequent year or years is not sufficient to allow for the adjustment to be cost-neutral for the 2 years, then the adjustment needed for cost-neutrality must continue to be applied to following years until such time as the cost-neutrality requirement is met.

- C. The Board shall determine the costs of the adjustments under this Section and shall include those costs in the annual valuation.
 - D. Cost-of-living adjustments under this Section shall be applied to the retirement benefits of retirees as follows:
 - (1) For retirees who retire prior to September 1, 2019, a cost-of-living adjustment is applied if the retiree has been retired for at least 12 months before the date that the adjustment becomes payable.
 - (2) For retirees who retire on or after September 1, 2019, a cost-of-living adjustment is applied if the retiree has been retired for at least 24 months before the date that the adjustment becomes payable. Beneficiaries of deceased retirees shall be eligible for the cost-of-living adjustment at the same time the deceased retiree would have become eligible.
2. **Contribution Caps.** The employer and employee contribution rates, as calculated in the aggregate across all benefit plans in The Plan, are capped at 12.5% and 9%, respectively. If the rates calculated by the System's actuary would exceed the caps for a particular year, the following shall occur:
- A. The aggregated employer and employee rates will be reduced to the cap amounts, and the Board will set individual benefit plan rates based on the System's actuary's recommendation for allocating the reductions.
 - B. The cost of living adjustment calculated under subsection 1 shall be reduced to maintain cost-neutrality, but not below zero. If the reduction otherwise would have been below zero, then an adjustment will be applied to contribution rates, up to the caps set forth in this subsection, and the cost of living adjustment, but not below zero, in following years until such time as cost-neutrality is achieved.
3. Notwithstanding subsection 1, paragraph A, the cost-of-living adjustment for the period from September 1, 2021 through August 31, 2022 shall be 3.5%.
4. Notwithstanding subsection 1, paragraph A, the cost-of-living adjustment for the period from September 1, 2022 through August 31, 2023 shall be 3.5%.
5. In addition to the cost-of-living adjustment under subsection 1, paragraph A, a one-time noncumulative cost-of-living adjustment payment equal to 0.5% of retirement benefits will be paid to those eligible for a cost-of-living adjustment for the period from September 1, 2023 through August 31, 2024.

SECTION 10. DISABILITY BENEFITS

- 1. **Members of The Plan.** Disability retirement benefits for members under The Plan are subject to 5 M.R.S., Chapter 425, subchapter V, *Benefits*, Article 3-A, *Disability Retirement Benefits After September 30, 1989*, as amended by PL 2025, chapters [221](#) and [270](#), except section 18534.
- 2. **Election Regarding Age-limit or No-age-limit Disability.** The election made by each member under PL 1991, c. 887 whether to be covered under age-limit or no-age-limit

disability remains in effect after a member's participation in The Plan begins. Depending upon a member's election, the member is covered under the age-limit or no-age-limit version of the disability plan specified in this Section.

3. **Current Recipients of Disability Benefits.** After having begun to participate in The Plan, a participating local district which before participating in The Plan did not have as part of its plan 5 M.R.S., Chapter 425, subchapter V, *Benefits*, Article 3-A, *Disability Retirement Benefits After September 30, 1989*, may elect to adopt 5 M.R.S. §18534, thereby allowing its former employees who are recipients of disability retirement benefits under prior law the option of being governed by disability retirement provisions applicable to members under The Plan. Any former employee of a district which adopts §18534 who is a recipient of a disability retirement benefit under 5 M.R.S., Article 3, as in effect immediately before October 1, 1989, or under section 1122 of the former retirement system law, as in effect immediately before July 1, 1977, may elect to be governed by 5 M.R.S., Chapter 425, subchapter V, *Benefits*, Article 3-A, by making written application to the executive director within 6 months after adoption of this provision by the participating local district. If the disability retirement benefit recipient makes the election, Article 3-A shall apply from the date of the recipient's original eligibility for disability retirement, but any increase in benefits may only be granted from the date of election by the recipient. The district's adoption and the recipient's election are irrevocable. The additional liability resulting from the adoption of this provision will be included in the district's Additional Unpooled Unfunded Actuarial Liability.

SECTION 11. ORDINARY DEATH BENEFITS

Ordinary death benefits for members under The Plan are subject to 5 M.R.S., Chapter 425, subchapter V, *Benefits*, Article 4, *Ordinary Death Benefits*.

SECTION 12. ACCIDENTAL DEATH BENEFITS

1. **Definitions.** As used in this section, unless the context otherwise indicates, the following terms have the following meanings.
 - A. **Professional firefighter.** "Professional firefighter" means an employee of a municipal fire department who is a member of the Participating Local District Retirement Program or who is a participating member under chapter 425 and who aids in the extinguishment of fires, whether or not the employee has other administrative duties.
 - B. **Qualifying member.** "Qualifying member" means:
 - (1) A member who dies as a result of an injury arising out of and in the course of employment as an employee;
 - (2) After October 31, 2004, an active member who is a professional firefighter who dies as a result of an injury or disease as described in Title 39-A, section 328 if the injury or disease that causes the death is the result of a condition that develops within 30 days of the active member's participating in firefighting or training or a drill that involves firefighting. If the professional firefighter dies after 30 days but within 6 months of participating in firefighting or training or a drill that involves firefighting, there is a rebuttable

presumption that the death is the result of an injury arising out of and in the course of employment as a professional firefighter; or

- (3) A former member receiving a disability retirement benefit who dies as a result of an injury arising out of and in the course of employment as an employee.
2. **Qualification for Benefit.** The beneficiary of a qualifying member shall receive a benefit in accordance with section 18603.
3. **Computation of Benefit.** Benefits under this section are determined as follows:
 - A. **Surviving spouse; no dependent children.** If the qualifying member is survived by a spouse and no dependent child, the surviving spouse shall be paid 2/3 of the average final compensation of the qualifying member.
 - B. **Surviving spouse having care of dependent children.** If the qualifying member is survived by a spouse who has the care of the dependent child or dependent children of the qualifying member, the surviving spouse shall be paid an annual sum equal to the average final compensation of the qualifying member.
 - C. **Surviving spouse not having care of dependent children.** If the qualifying member is survived by a spouse who does not have the care of the dependent child or dependent children of the qualifying member, the surviving spouse shall share with the dependent child or dependent children an annual sum equal to the average final compensation of the qualifying member, the benefit to be divided equally among the surviving spouse and the dependent child or dependent children.
 - D. **No surviving spouse.** If no spouse survives the qualifying member, the dependent child or dependent children shall be paid an annual sum equal to the average final compensation of the qualifying member.
4. **Method of Payment.** All benefits paid under this section shall be paid in equal monthly installments beginning the first month after the death of the qualifying member.
5. **Adjustment of Benefits.** Benefits under this section are subject to the following adjustments:
 - A. **Cessation of eligibility.** When a person sharing benefits under section 18603 ceases to be eligible to receive benefits, the subsequent benefits of the remaining beneficiaries shall be recalculated as if the remaining beneficiaries had been the only beneficiaries to survive the qualifying member.
 - B. **Workers' compensation or similar law.** The amount payable under this section must be reduced by any amount received by the surviving spouse and dependent child or dependent children under former Title 39, the *Workers' Compensation Act* or Title 39-A, Part 1, the *Maine Workers' Compensation Act of 1992*, or a similar law.
 - (1) Lump-sum settlements of benefits that would reduce the accidental death benefits under this subsection must be prorated on a monthly basis in an equitable manner prescribed by the board.
 - (2) The prorated lump-sum settlement amounts must reduce the accidental death benefits payable monthly under this section.

- C. **Cost-of-living adjustments.** Benefits under this section are subject to adjustment as provided in section 9.
- 6. **Termination of Benefits.** The benefits under this section shall be paid to:
 - A. **Surviving spouse.** The surviving spouse until the spouse dies; and
 - B. **Dependent children.** The dependent child or dependent children until they die or until they no longer meet the definition of “dependent child” under section 17001, subsection 12.

SECTION 13. DEFINED CONTRIBUTION/DEFERRED COMPENSATION PLANS

- 1. **Defined Contribution/Deferred Compensation Plans.** A participating local district may provide for the participation of its employees in a defined contribution and/or deferred compensation plan or plans for which the System is The Plan Sponsor. To provide for its employees’ participation, the participating local district employer must comply with the procedure for adoption set out in paragraph 6.
- 2. **District is Employer.** For all purposes related to such a plan or plans, the participating local district is the employer of its employees who participate in the plan or plans.
- 3. **Federal Law Requirements.** The plan or plans for which the System is Plan Sponsor must meet all applicable federal law requirements.
- 4. **Terms and Requirements of Plan.** The rights, obligations, conditions and terms of each plan or plans for which the System is Plan Sponsor are those provided in the relevant Plan Document, as revised or amended from time to time.
- 5. **Plan under 5 MRSA Section 18252-B.** Adoption of a plan or plans under this section does not by itself satisfy the requirements of 5 M.R.S. §18252-B. A participating local district that intends a plan or plans that it adopts under this section to comply with 5 M.R.S. §18252-B must also meet that section’s requirements.
- 6. **Procedure for Adoption**
 - A. **Adoption Agreement.** A participating local district that acts to adopt a plan or plans under this section must complete the relevant Adoption Agreement or Agreements in a form provided or authorized by the System. An Adoption Agreement constitutes documentation of the participating local district’s decision to adopt the plan to which the Agreement applies and signifies its understanding and acceptance of the provisions of the plan as set out in The Plan Document.
 - B. **401(a) Plan: Contribution Rates.** In the case of a plan established in accordance with the requirements of Section 401(a) of the United States Internal Revenue Code of 1986, as amended,
 - (1) the Adoption Agreement must specify the required employee contribution as established by the participating local district employer and the employer contribution, if any; and

- (2) the participating local district may change the amount of the required employee contribution annually, effective July 1 immediately following its decision to change the amount. The participating local district must document the change by amending its Adoption Agreement to state the new required employee contribution amount. An employee already participating in the district's 401(a) plan at the time the required employee contribution amount is changed ~~must have the right to continue his/her employee contribution in the amount previously required or to~~ change to the new required contribution amount.

7. **Disability Retirement Benefits: Participants in a 401(a) Plan who are Not Members under The Plan**

- A. **Applicability.** Employees who are participants in a 401(a) plan under this section and who are not members under The Plan are covered in the event of disability as set out in paragraph B.
- B. **Disability Retirement Program.** The disability retirement program established under this paragraph is that established by section 18521 *et seq.* and implemented by the System's related rules and policies, including but not limited to the disability application, determination and review processes, and standards for benefit eligibility and standards for continuation of benefits.
 - (1) Title 5 M.R.S. §18524, sub-§2, applies to an employee with fewer than 5 years of participation in the 401(a) plan.
 - (2) Except as provided in subparagraph 3, the amount of the disability retirement benefit is 60% of the participant's annual compensation being paid at the time the participant became disabled, subject to adjustment as provided by 5 M.R.S. §18407 and this chapter.
 - (3) A participant who is found eligible for a disability retirement benefit and who terminates employment may elect to withdraw the balance of the participant's 401(a) account. If such a withdrawal includes employer contributions made on behalf of the participant, the disability retirement benefit will be actuarially adjusted so that the participant receives a disability retirement benefit of not more than the amount specified in subparagraph 2.
 - (4) Benefits cease if the participant is found no longer eligible under the applicable statute, or on the date that the participant is required to receive a Required Minimum Distribution under federal law, whichever is earlier.

SECTION 14. RETIRING AND RETURNING TO WORK

If a person who is a recipient of a service retirement benefit under The Plan returns to employment by a participating local district of The Plan in a position for which membership would be mandatory or optional for a new hire, the person continues to receive the service retirement benefit and does not re-enter The Plan as a member. During the period that a retiree is returned to employment, contributions must be remitted to the System by the participating local district in the amount of the greater of (i) 5% of the person's earnable compensation, or (ii) the equivalent of employer and employee unfunded actuarial liability contributions at the aggregate rate on the person's earnable compensation. For

purposes of this section, earnable compensation does not include Workers' Compensation earnings paid to the person.

SECTION 15. TRANSITION

1. **Rates.** Employer and employee rates for July 1, 2018, through June 30, 2019, shall be the rates set under this Rule prior to the amendment effective July 1, 2018. The transition from those rates to the rates calculated pursuant to Sections 7 and 8 shall be accomplished by smoothing in the new rates over an actuarially sound period.
2. **Unused Sick Leave or Vacation Leave.** Section 6, subsection 7, applies to those with a retirement effectiveness date on or after August 1, 2019.
3. **Retiring and Returning to Work.** Section 14 does not apply to a retiree employed by a participating local district on October 1, 2018, until the earlier of termination of employment or June 30, 2021.
4. **Membership Election.** The one-time election to join The Plan by November 1, 2021 under PL 2021, c. 286, § 6 applies only to employees of participating local districts who specifically adopt that provision in their participation agreement prior to November 1, 2021, or at the next meeting of the participating local district's executive or legislative body, whichever is later. For participating local districts adopting the provision on or after November 1, 2021, the one-time election date shall be such later date stated in the amended participation agreement.

STATUTORY AUTHORITY:

5 M.R.S. §§ 17103(4), 18200 *et seq.*, 18801 *et seq.*

EFFECTIVE DATE:

May 11, 1993

AMENDED:

July 20, 1993
 May 6, 1995
 April 1, 2001
 September 28, 2002
 January 17, 2004
 October 12, 2004
 October 29, 2005 – filing 2005-449
 October 9, 2006 – filing 2006-433
 February 1, 2011 – filing 2011-45
 December 9, 2013 – filing 2013-295 (header corrected March 7, 2016)
 June 5, 2016 – filing 2016-099
 August 30, 2017 – filing 2017-133
 May 26, 2018 – filing 2018-082
 September 19, 2018 – filing 2018-188
 June 24, 2019 – filing 2019-101
 November 4, 2019 – filing 2019-189
 July 18, 2020 – Section 16 added, filing 2020-160
 November 25, 2020 – filing 2020-236
 October 4, 2021 – filing 2021-197

July 23, 2022 – filing 2022-137
January 24, 2023 – filing 2023-011

BASIS STATEMENT FOR ADOPTION OCTOBER 9, 2025/STATEMENT OF COMMENTS

Notice of this proposed rulemaking was published August 20, 2025. Rule Chapter 803 establishes a consolidated retirement plan as required by 5 M.R.S. §18801 et seq. for local districts that are participating local districts under 5 M.R.S. Chapter 425 and Chapter 427. The proposed amendments include two changes consistent with recently passed legislation: first, to allow PLD members with prior non-military federal service to purchase up to five years of service credit at actuarial cost; and second, to allow the chief administrative office of a PLD to clarify ambiguities in actions taken by the governing body regarding plan participation. The proposed amendments also ensure that 401(a) defined contribution plan elections conform with federal plan qualification requirements and remove an infrequently used and inefficient provision that permits a member retiring early to forgo cost-of-living adjustments (COLA) until they attain normal retirement age.

A public hearing was held September 11, 2025. No members of the public offered testimony at the hearing either in person or remotely. One member of the public¹ offered written comments in opposition to the proposed amended rule. The commenter voiced concern about an error in the publication notice stating the public hearing date, the shift of authority to plan administrators to clarify ambiguities, equity in permitting the purchase of service credit, the elimination of the early-retirement cost-of-living adjustment waiver and a lack of transparency in actuarial practices.

The proposed amendment to Rule Chapter 803 updates the rule to recognize statutory language that was unanimously enacted by the Legislature to allow the service credit purchase for prior non-military federal service of up to five years at actuarial cost, allow the administrator of a participating local district plan (PLD) to clarify small ambiguities regarding plan participation.

These amendments have been endorsed by the PLD Advisory Committee as has the elimination of the provision allowing a member retiring early to forgo COLA until they attain normal retirement age. Ensuring that 401(a) defined contribution plan elections conform with federal plan qualification requirements clarifies the rule and protects the qualified status of the plan. The notice published on the Secretary of State's website contained a typo and listed the public hearing date as "September 11, 2015" but included the correct comment deadline. The typo was an insignificant deviation that did not impact the validity of the rulemaking process.

To deny PLD plan members the opportunity to purchase non-military federal service credit would be inequitable. Members in other MainePERS-administered plans are afforded this opportunity, and PLD members are permitted to purchase other types of service within the PLD plan. Treating this service and PLD member differently would create an inequity.

¹ Wendy Fenderson, Limerick

PLD chief administrative officers are more knowledgeable about the specifics of their organizations and are accountable to the governing body of those organizations. Interpreting the official action of the governing body is an appropriate role for the chief administrative officers of those organizations.

The early-retirement cost-of-living adjustment waiver has only been exercised twice in the seven years it has been in existence, provides no actuarial benefit to the member, and adds unnecessary complexity to the process and experience of retirement.

Actuarial assumptions and practices are appropriately not set forth in this proposed amended rule and are published elsewhere.

Based on consideration of the comments received, staff recommends no changes to the proposed amended rule.

The Board concurs with this recommendation.

At the Board's regular meeting held on October 9, 2025, _____ made the motion, seconded by _____ to adopt the amendment to Rule Chapter 803 and its basis statement. Voted _____.

From: [Wendy Fenderson](#)
To: [RuleMaking](#); [Bill Brown](#)
Subject: Comments on Proposed Rulemaking – Chapter 803: Participating Local District Retirement Plan
Date: Wednesday, August 20, 2025 8:37:30 PM

EXTERNAL EMAIL

This message was received from outside the MainePERS network. Extra caution should be used before clicking on any links or opening any attachments.

Wendy L. Fenderson



August 20, 2025

Via Rulemaking

Maine Public Employees Retirement System

Attn: Bill Brown, Director of Actuarial and Legislative Affairs

P.O. Box 349

Augusta, ME 04332

rulemaking@mainepers.org

Re: Comments on Proposed Rulemaking – Chapter 803: Participating
Local District Retirement Plan

Dear Rulemaking Contact:

I submit the following comments regarding the proposed amendments to Chapter 803: Participating Local District Retirement Plan. While presented as routine technical adjustments, these amendments raise significant concerns about equity, transparency, and oversight within the Maine Public Employees Retirement System (MainePERS).

1. Procedural Errors Undermine Public Trust

The public notice incorrectly lists the hearing date as September 11, 2015. Such errors are not trivial—they create confusion for members seeking to exercise their right to comment and undermine confidence in MainePERS’ ability to manage rulemaking accurately.

2. Improper Shift of Authority to Administrators

The amendment authorizes the chief administrative officer of a participating local district to “clarify ambiguities” in governing body actions. This represents a concerning shift of interpretive authority away from elected governing boards and toward unelected administrators. It invites inconsistent application, weakens local democratic accountability, and provides MainePERS with an additional lever to favor its own interpretation over legislative or local intent.

3. Service Credit Purchases – Equity Concerns

The provision allowing PLD members to purchase up to five years of federal service credit at actuarial cost primarily benefits employees with sufficient disposable income. Lower-income members are excluded,

creating a two-tier system of retirement security. Without safeguards, this provision widens inequities among public workers and contradicts the principle of equal treatment.

4. Elimination of Early-Retirement COLA Waiver

Removing the option for early retirees to waive cost-of-living adjustments (COLA) until normal retirement age restricts member flexibility without justification. Even if infrequently exercised, eliminating this choice reduces member autonomy without demonstrating any actuarial or administrative harm. MainePERS should publish clear data showing the provision's usage and cost before removing it.

5. Lack of Transparency in Actuarial Practices

The proposal does not disclose the actuarial assumptions used to determine service credit costs. Transparency in actuarial modeling is essential for public accountability, particularly given MainePERS' history of applying questionable interpretations of statute to members' detriment. At a minimum, assumptions, interest rates, mortality tables, and inflation factors should be published and independently validated.

Oversight Questions That Must Be Answered

1. Why is MainePERS shifting interpretive authority from elected governing bodies to administrators?
2. What safeguards prevent abuse of this new “clarification” power?
3. How will MainePERS ensure that service credit purchases do not disproportionately benefit wealthier members?
4. Why eliminate the COLA waiver option without publishing usage and cost data?
5. Will actuarial assumptions be made public and subject to independent review?
6. How does this proposal align with MainePERS’ statutory obligation to administer plans consistent with legislative intent, not internal convenience?

Conclusion

MainePERS should not be granted additional discretionary authority at a time when it has yet to answer for past overreach. These amendments, if adopted, would increase administrative power while reducing member choice and transparency. At a minimum, the rule should be revised to:

- Require board-level (not administrative) resolution of governing body ambiguities.
- Publish actuarial assumptions for all service credit purchases.
- Retain member flexibility in early-retirement COLA elections.

- Provide a full fiscal and demographic impact study of each proposed change.

Until these steps are taken, I strongly oppose the proposed amendments to Chapter 803.

Respectfully submitted,

Wendy L. Fenderson



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MAINEPERS

BOARD OF TRUSTEES MEMORANDUM

TO: BOARD MEMBERS
FROM: MICHAEL J. COLLERAN, CHIEF OPERATING OFFICER & GENERAL COUNSEL
CHIP GAVIN, CHIEF SERVICES OFFICER
SHERRY VANDRELL, CHIEF FINANCIAL OFFICER
SUBJECT: MEMBER SERVICES, FINANCE, AND OPERATIONS REPORT
DATE: OCTOBER 1, 2025

Content in the following paragraphs was selected to provide noteworthy information regarding the System's member services, finance, and operations.

POLICY REFERENCE

[Board Policy 4.5 – Board/Staff Relations](#)

[Board Policy 4.6 – Communications and Support to the Board](#)

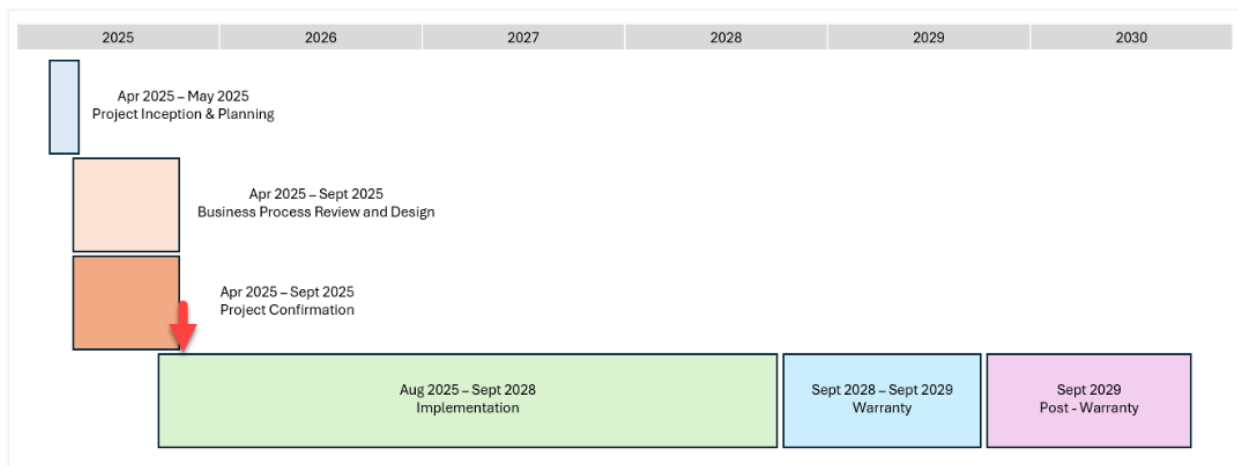
MEMBER SERVICES

1. MEMBER EDUCATION AND OUTREACH: MainePERS will have a presence at a variety of events involving hundreds of people this month, including as a sponsor at the annual Maine Municipal Association Convention October 8-9 and an Exhibitor Booth at the Maine School Management Association fall conference October 23-24.
2. PENSION ADMINISTRATION SYSTEM IMPLEMENTATION: Sagitec is currently reporting all major monitoring areas of the project – schedule, budget/cost, scope, resources and quality - are green, as is the overall project status. An excerpt of Sagitec's monthly project status report is included below.

The project achieved a milestone in September with the conclusion of Phase 3 of the project. Phase 4 is now in progress. The project currently is scheduled to reach the go live milestone in CY2028. The project is part of Goal III, Strategic Objective (B) and other related components of the Strategic Plan. The project has now completed approximately 13 percent of the timeline between contract initiation and scheduled project launch.

Overall		Scope	
Schedule		Resources	
Cost / Budget			
Project Manager	Jason Tolentino	Project Sponsor	CEO Rebecca Wyke
Project Start	April 14, 2025	Project End	Go-live June to Sept 2028. One-year warranty period concluding in 2029.
Reporting Period	September 2025	Reporting Date	September 29, 2025
Audience	Chip Gavin, Michael Colleran, Joy Childs, Valerie Scott, Domna Giatas, Tim Poulin, Sherry Vandrell, Brett McGillivray	Next Steering Committee Meeting with Sagitec	October 8, 2025

Timeline (*red arrow indicates the phase of the project as of this report*)



FINANCE

- EMPLOYER REPORTING.** Employers submitted defined benefit payrolls on time at rate of 90% in September. This compares to a rate of 89% for the same period last year. Of the 65 payrolls that missed the deadline, 40 were submitted within three days of deadline. The percentage of fully reconciled accounts through July data is 83%, a decrease of 2% from last month. The number of fully reconciled accounts decreased by 14 accounts to 580 this month due primarily to the change in contribution rates effective July 1st. We had a number

of employers who did not change the rates timely, causing a greater than typical number of issues with the July reports and payments.

The aging of the 123 accounts not fully reconciled through July 2025 data breaks down as follows. The numbers in green represent a decrease in count from the prior period, and the number in red is an increase.

	Oldest Unreconciled Transactions						
Year	2025	2024	2023	2022	2021	2020	2019
# of Accts	72	28	4	2	4	5	8
Removed		-7					-1
Added	20		1				
Prior Report	52	35	3	2	4	5	9

Staff continue to review the 2024 and 2025 payroll reports submitted by Portland Public Schools and assist Portland Public Schools staff with making corrections as needed prior to releasing them and posting data to member accounts. The work to reconcile old, previously submitted payroll data for calendar year 2023 and prior is ongoing.

2. EMPLOYER AUDITING. There were no audits opened or completed during the month of September. The audit staff continue to support the employer reporting team with the Portland Public Schools corrections project and clearing long outstanding audit findings. One 2022 audit with open findings remains open, but staff are actively working to close that one out. The percentage of resolved findings is currently 98.6%.
3. ACCOUNTING AND FINANCE. The internal audit covering human resources practices is currently underway. The next review will cover death benefit processing, followed by a review of our employer auditing program.

BerryDunn will be at the October meeting and will present the draft audited financial statements.

OPERATIONS

1. INFORMATION TECHNOLOGY: The IT Operations team completed an upgrade of our primary internet circuits, improving communication among the Augusta, Portland, and Brunswick sites and providing greater capacity for future access to the new PAS environment. The team also continued the phased rollout of Office 365. IT staff continue to be heavily involved in the PAS project, including data conversion and the pilot 4.1 elaboration phase.
2. HUMAN RESOURCES: We had one new hire start in September and four terminations. We currently are recruiting for four positions. We conducted an educational session with supervisors on explicit and implicit bias. We held our annual staff cookout, with a record 97 staff members participating.

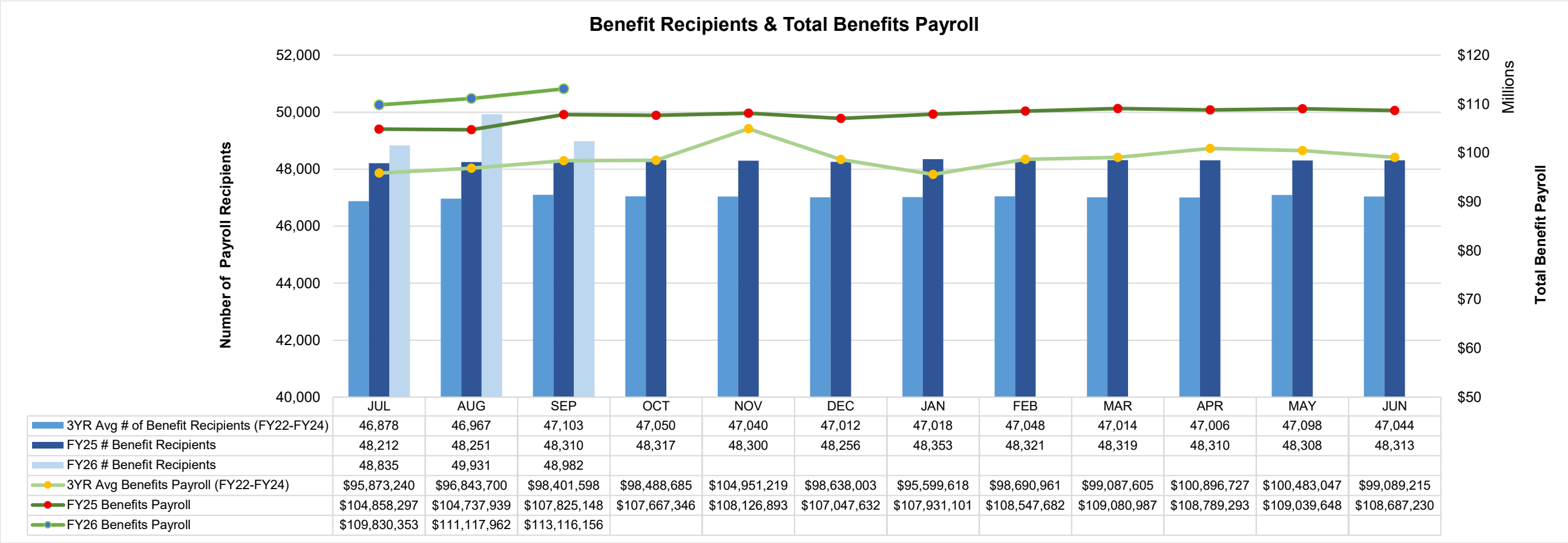
RECOMMENDATION

No Board action is recommended at this time.

SEPTEMBER 2025 BOARD OF TRUSTEES OPERATIONS – MEMBER SERVICES SUPPLEMENTAL NUMBERS

RETIREMENT SERVICES

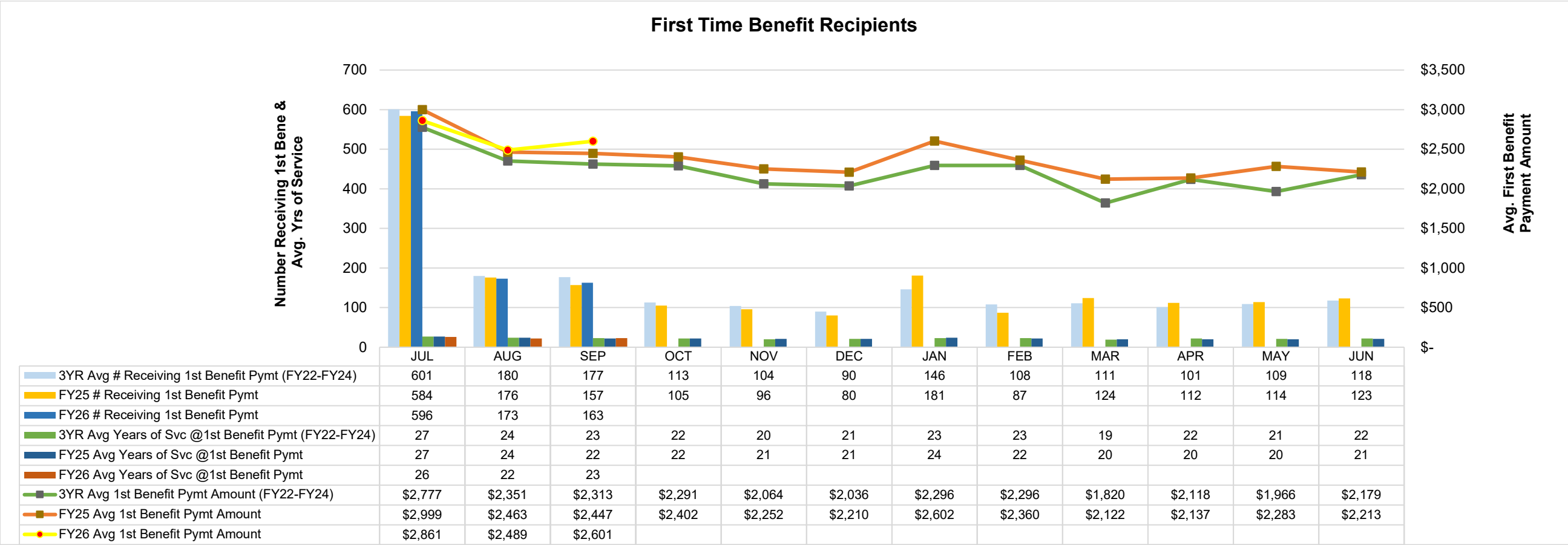
BENEFITS PAYROLL: Regular monthly pension benefit payments were made to 49,982 recipients in September, totaling \$113,116,156. Note: Special payments paid outside of the regular payroll run are not reflected in the “Benefits Payroll” total. Applying to all graphs in this report, instead of providing fiscal years of 2022, 2023 and 2024 individually, this graph provides the average of those years against fiscal years 2025 and 2026.



SEPTEMBER 2025 BOARD OF TRUSTEES OPERATIONS – MEMBER SERVICES SUPPLEMENTAL NUMBERS

RETIREMENT SERVICES: (CONTINUED)

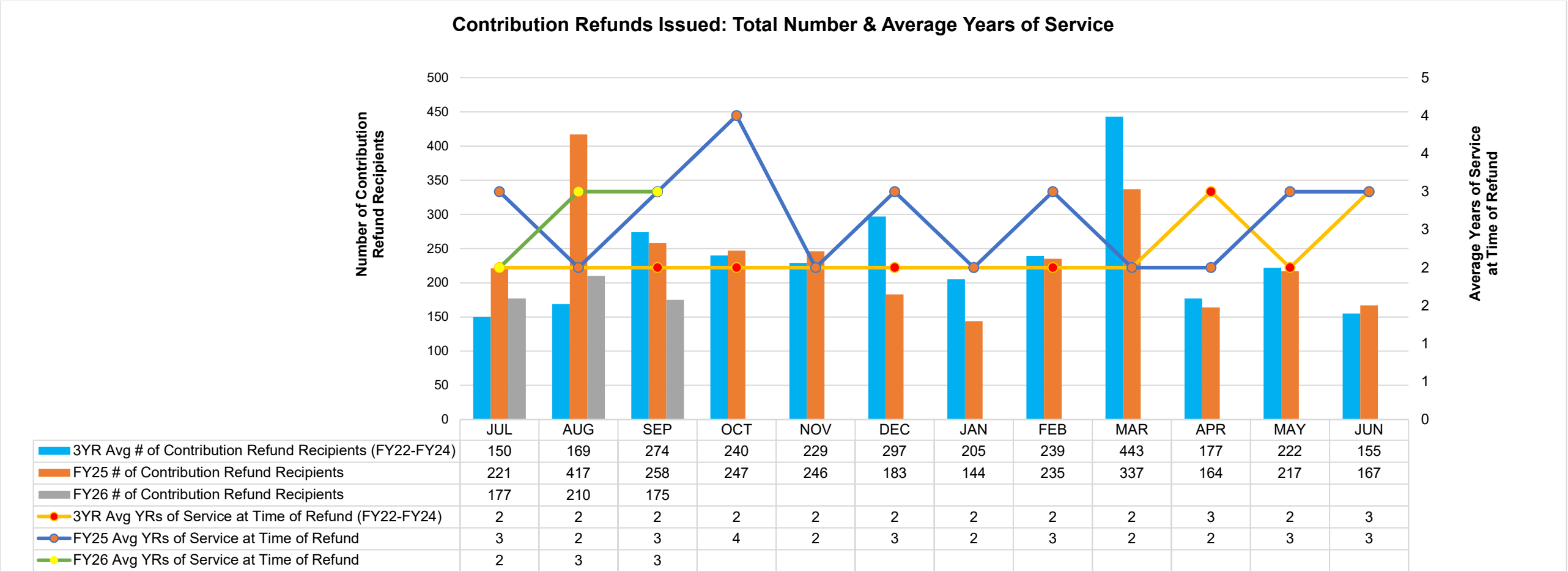
FIRST TIME BENEFIT RECIPIENTS: One hundred sixty-three (163) individuals received their first benefit payment in August. The average benefit amount was \$2,601. First time recipients averaged twenty-three (23) years of service. The count of new recipients, payment amount, and service are comparable to data seen during the same month in recent prior years.



SEPTEMBER 2025 BOARD OF TRUSTEES OPERATIONS – MEMBER SERVICES SUPPLEMENTAL NUMBERS

RETIREMENT SERVICES: (CONTINUED)

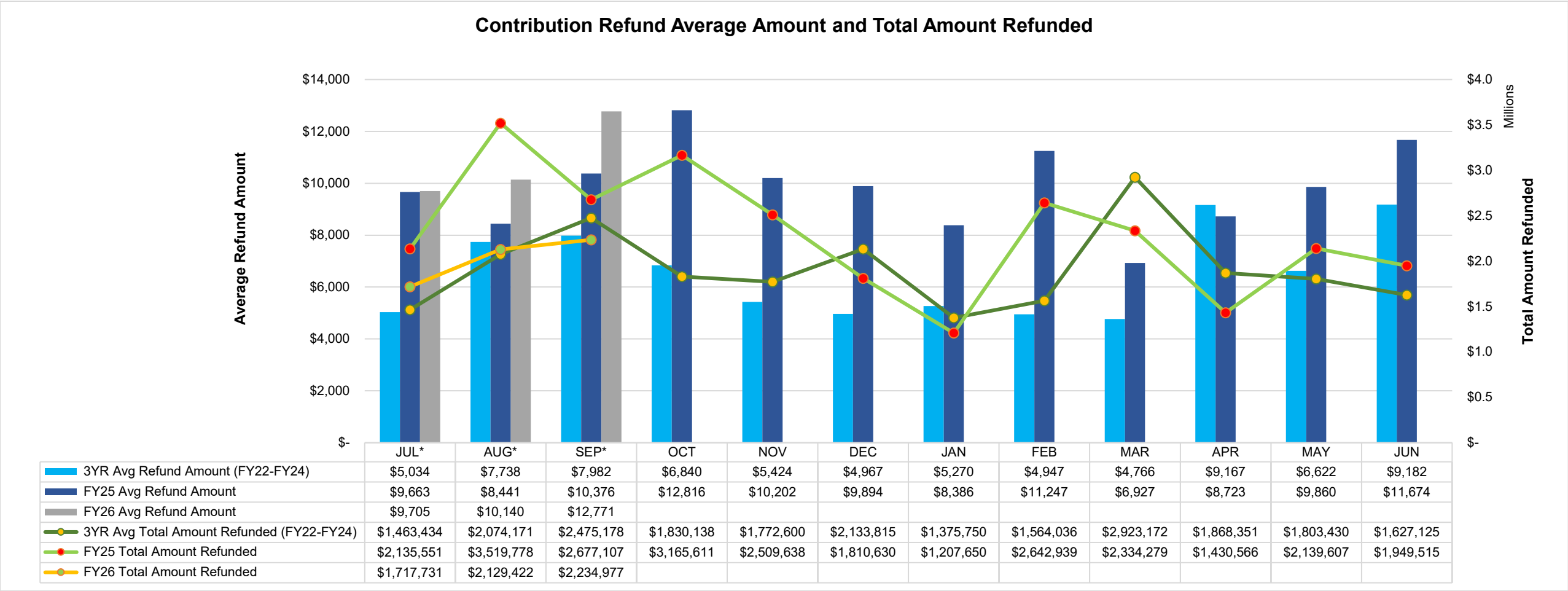
CONTRIBUTION REFUNDS: One hundred seventy-five (175) former members received a refund of their contributions in September. The average refund was \$12,771 as the result of an average of three (3) years of service. The aggregate amount refunded was \$2,234,977. Note: Data for FY22 – July to October – was not captured so the average for those months only includes fiscal years 2023 and 2024.



SEPTEMBER 2025 BOARD OF TRUSTEES OPERATIONS – MEMBER SERVICES SUPPLEMENTAL NUMBERS

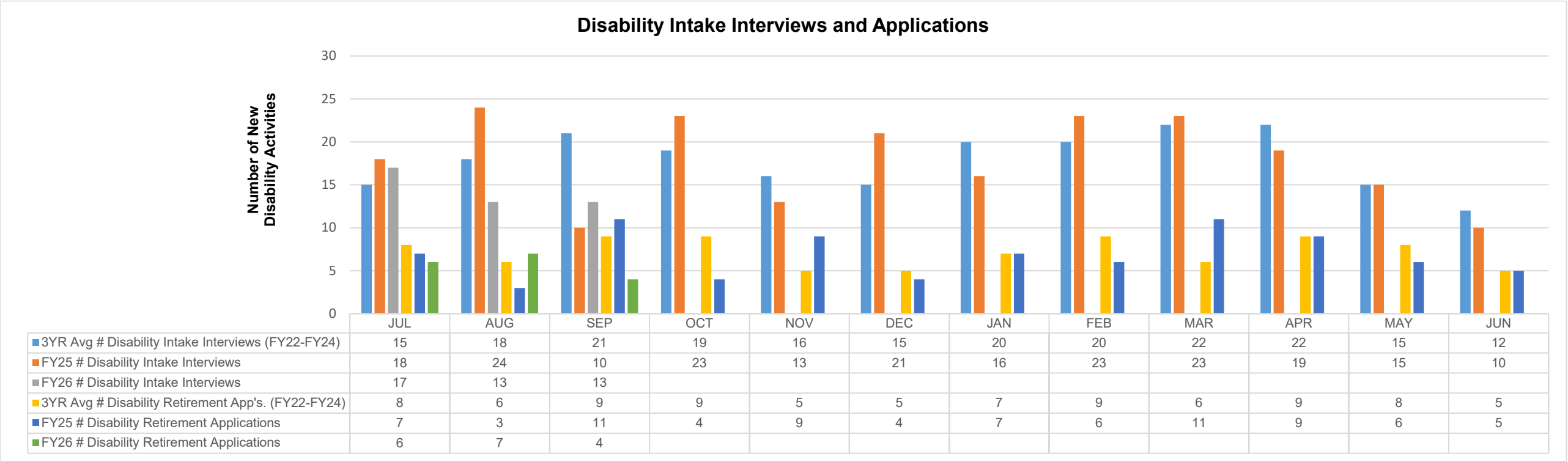
RETIREMENT SERVICES: (CONTINUED)

CONTRIBUTION REFUNDS



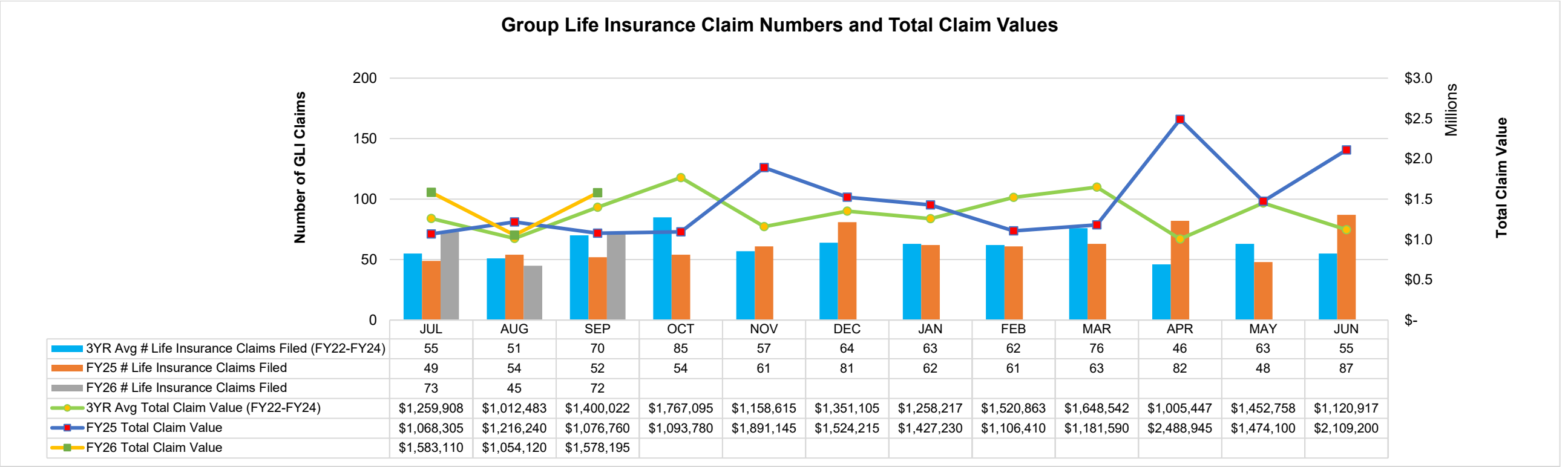
DISABILITY SERVICES

Intake Interviews and Applications: There were thirteen (13) interviews completed in September with varying levels of detail and duration. Intakes included six (6) State members, four (4) Teacher members, three (3) PLD and zero (0) other members. There were four (4) new disability retirement applications received in September.



SURVIVOR SERVICES

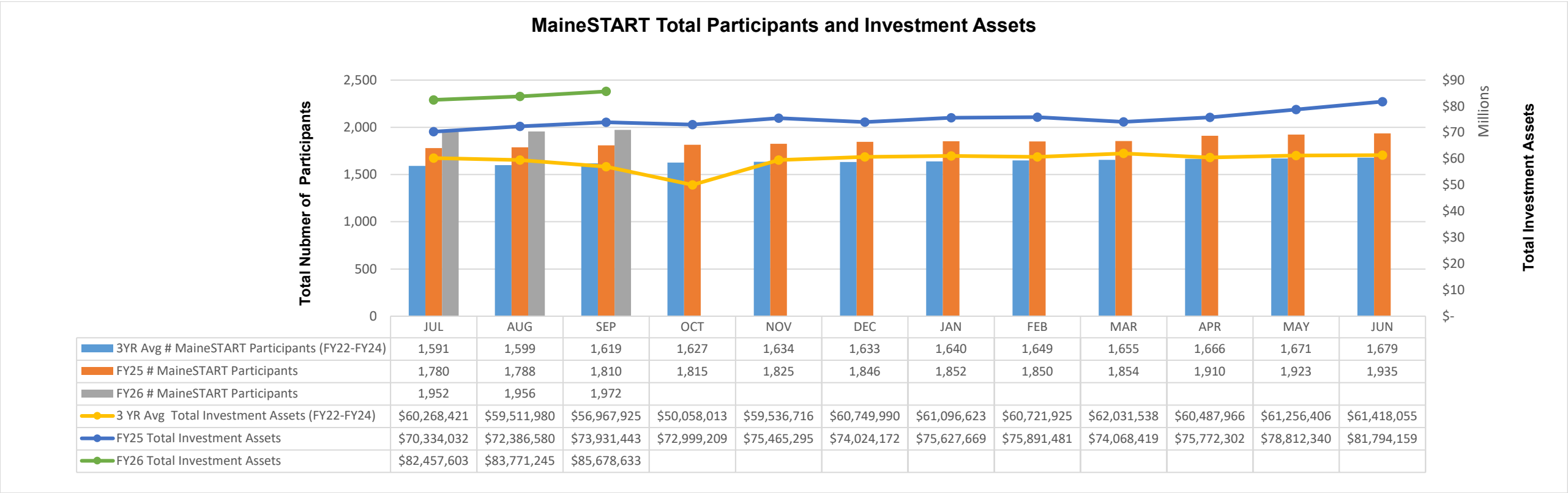
GLI Claim Numbers and Values: There were seventy-two (72) life insurance claims sent to our carrier (The Hartford) in September with a total value of \$1,578,195 in payments due to beneficiaries. Of the claims, sixty-seven (67) were retiree claims and five (5) were active member claims including one (1) dependent claim.



SEPTEMBER 2025 BOARD OF TRUSTEES OPERATIONS – MEMBER SERVICES SUPPLEMENTAL NUMBERS

DEFINED CONTRIBUTION PLAN SERVICES

Total Participants and Investment Assets: MaineSTART had one thousand nine hundred seventy-two (1,972) participants at the end of September with \$ \$85,678,633 of investment assets in the program.

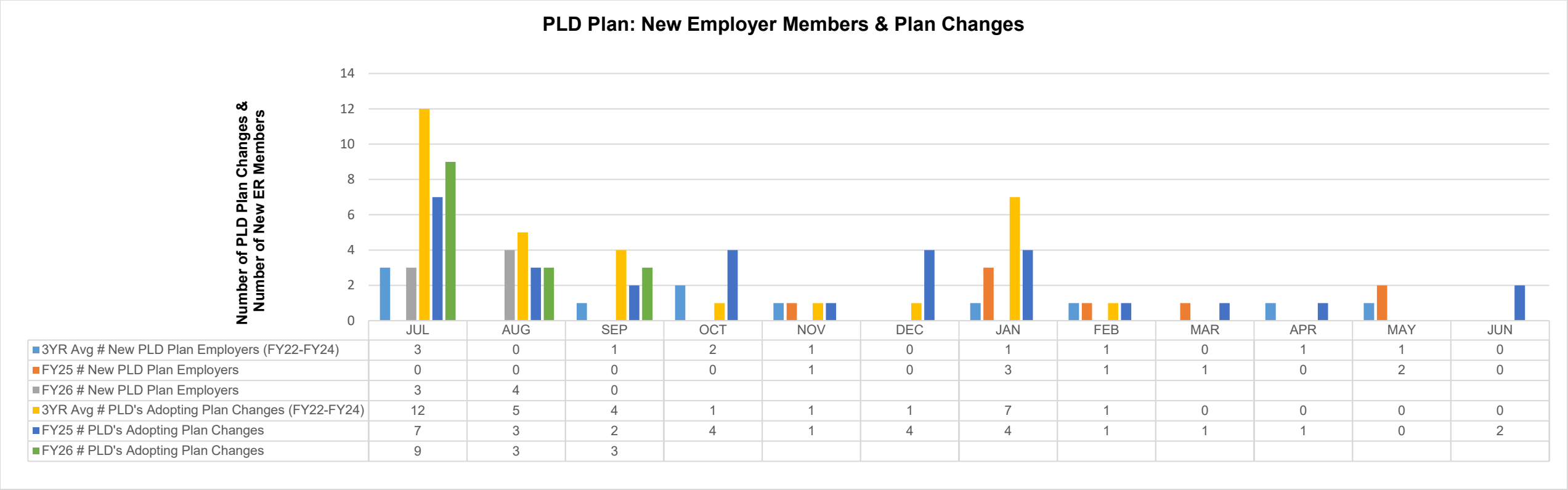


SEPTEMBER 2025 BOARD OF TRUSTEES OPERATIONS – MEMBER SERVICES SUPPLEMENTAL NUMBERS

PARTICIPATING LOCAL DISTRICT (PLD)

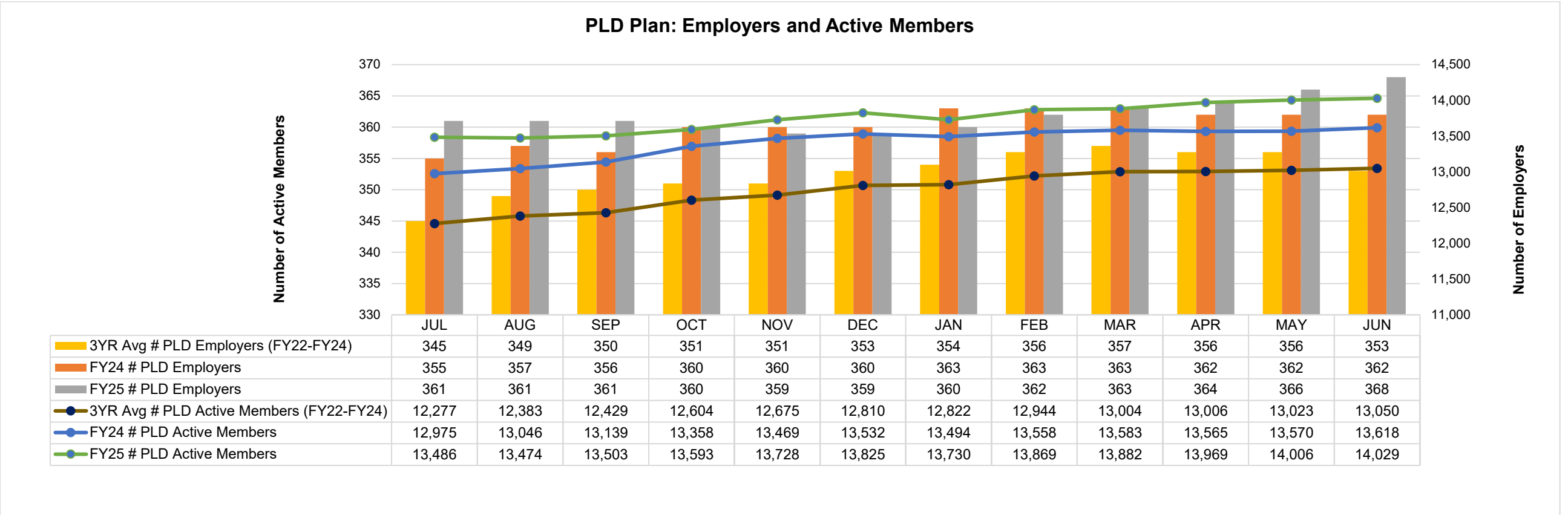
PLAN ADMINISTRATION

New Employer Members & Plan Changes: There were no new employers joining the PLD Retirement Program effective September 1, 2025. There were three (3) employer plan changes effective September 1, 2025. Note: This metric reflects PLD employer changes (joining, returning, adopting plan changes) in the month of their implementation. This format is consistent with MainePERS activity reporting to our actuary.



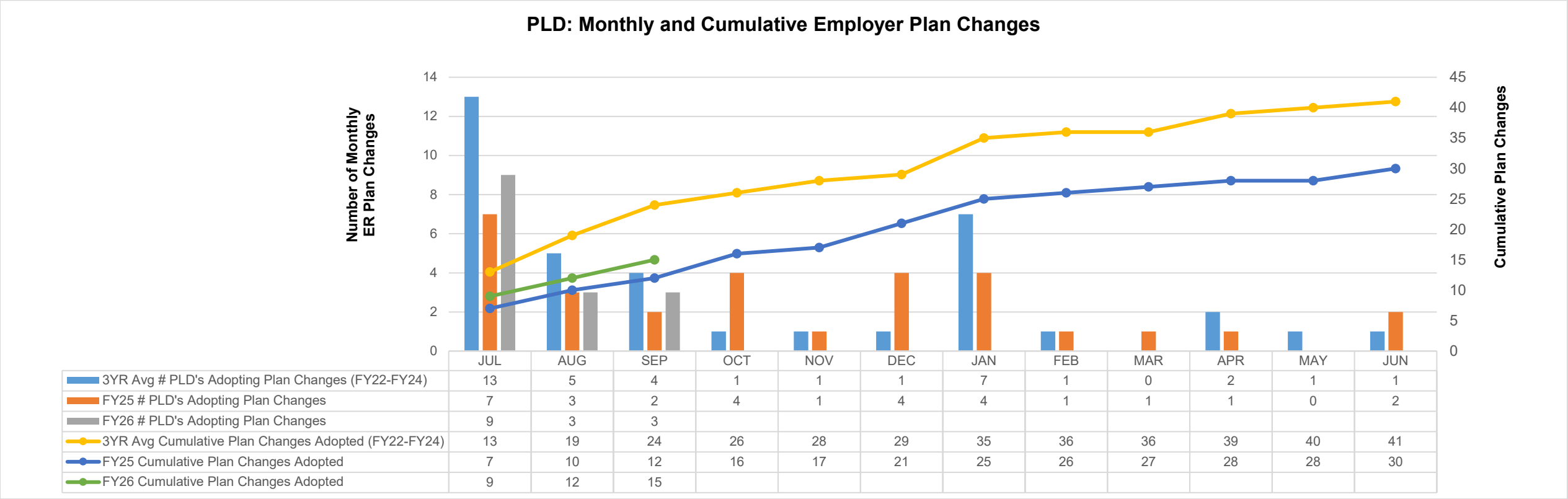
PLD PLAN ADMINISTRATION (CONTINUED)

Employers and Active Members: PLD employers increased from 364 in April to 368 in June; PLD Employee numbers increased from 13,969 in April to 14,029 in June. This data will be reported quarterly. Due to the timing of the Board Report, the next update will be included in the October supplement numbers at the November 2025 meeting.



PLD PLAN - MONTHLY AND CUMULATIVE EMPLOYER PLAN CHANGES

Monthly and Cumulative Employer Plan Changes: There were no new employers joining the PLD Retirement Program effective September 1, 2025. There were three (3) employer plan changes effective September 1, 2025. Total plan changes for FY26 are fifteen (15). Note: This metric reflects PLD employer changes (joining, returning, adopting plan changes) in the month of their implementation. This format is consistent with MainePERS activity reporting to our actuary.



FOCUS FRIDAY IMPACT ON BACKLOG REDUCTION

PRELIMINARY TO FINAL BENEFIT (PB TO FINAL) BACKLOG THROUGH SEPTEMBER 30, 2025: The backlog projections and reporting below are based on a data point that counts days since an initial Preliminary Benefit disbursement date (Days on PB) occurred.

