

## MaineSTART Participating Employers

401k, 403b and 457 Defined Contribution Plans

**Did  
you  
know?**

**ONLY YOU** can effectively change an employee's address in MaineSTART.

Make the change directly in your MaineSTART payroll report. If the employee makes the change and you have not made the change in your payroll report - your report will automatically override any changes made by the employee.

Thank you for doing your part to keep employee addresses up to date.

## Looking Ahead:

### Budget Planning for the Next Biennium (FY '16 & '17)



State and Teacher Contribution Rates for MainePERS Defined Benefit Retirement Plan have been established for the next two fiscal years. Teacher Employers began paying the employer normal cost share for the teacher employee defined benefit plan beginning in FY '14.

The new normal cost rates will take effect on July 1, 2015. Rate information is available on the MainePERS website: [http://www.mainebers.org/Employers/Employer\\_Mainpage.htm](http://www.mainebers.org/Employers/Employer_Mainpage.htm).



## MainePERS Defined Benefit Plan

### Q. What is normal cost?

A. Normal cost is the actuarially estimated amount of money that must be set aside now to pay for the future pension benefits that have accrued this year. MainePERS calculates this on a biennial basis. This cost can vary slightly each biennium due to changes in actuarial factors such as rates of retirement, actual retirement ages of participants, mortality rates, and others.

### Q. What is the normal cost rate?

A. The normal cost rate is the normal cost as a percent of the estimated salary that will be paid. It enables employers to pay their pension costs throughout the year based on the actual salary paid. The normal cost rate can also vary slightly each biennium for the same reasons as the normal cost.

### Q. Why has the normal cost increased for the FY 16-17 biennium?

A. The normal cost is increasing due in part to differences in the actual experience of the plan assumptions used by the actuary and implementation of new standards introduced by the Government Accounting and Standards Board (GASB) for calculating the net pension liability and other pension related numbers. Beginning July 1, 2015 the normal cost for the combined State/Teacher plan is increasing from the current State 3.37% and Teacher 2.65 % of payroll to 5.31% State and 3.36% Teacher.

## Who You Gonna Call?

Questions About	Contact	E-mail	Phone
Employer Reporting & Payment	MainePERS	<a href="mailto:employer@mainepers.org">employer@mainepers.org</a>	512-3100
MainePERS Membership	MainePERS	<a href="mailto:retirement.services@mainepers.org">retirement.services@mainepers.org</a>	512-3100
School Budget Allocation	Paula Gravelle Suzan Beaudoin Department of Education	<a href="mailto:paula.b.gravelle@maine.gov">paula.b.gravelle@maine.gov</a> <a href="mailto:suzan.beaudoin@maine.gov">suzan.beaudoin@maine.gov</a>	624-6790
School Funding Formula	Paula Gravelle Suzan Beaudoin Department of Education	<a href="mailto:paula.b.gravelle@maine.gov">paula.b.gravelle@maine.gov</a> <a href="mailto:suzan.beaudoin@maine.gov">suzan.beaudoin@maine.gov</a>	624-6790



## Group Life Insurance: *Am I Eligible?*

For most employees the "date the applicant is first eligible for Group Life Insurance Coverage" will be the same as their date of hire. Employers enter this date in the employer section of the GLI Application where it says: "Date applicant first eligible for Group Life Insurance." A full listing of Classes of Employment Eligible for Insurance is included in the [Group Life Insurance Rule Chapter 601](#).

There are two eligibility criteria for group life insurance coverage without requiring evidence of insurability:

1. Employment in a class eligible for insurance
2. Submission of an application within 31 days of becoming eligible

### Effective Date of Coverage

The effective date of coverage is the date the employee's coverage actually begins. This is always going to be the first day of the month after one full month of employment from the date of initial eligibility. MainePERS' system automatically calculates the effective date of coverage using the information you provide in the "Date applicant first eligible for Group Life Insurance" section of the GLI application. This date is also used to determine when the employee first appears on your monthly group life invoice.

**Example:** Your employee is hired into an eligible position on Monday, August 11, 2014 and a GLI enrollment application is submitted in August.

- ✓ The date of initial eligibility is August 11th
- ✓ Enter this date in the employer section of the GLI application: Date applicant first eligible for Group Life Insurance

The employee's coverage will take effect on Wednesday, October 1, 2014.

- ✓ Wednesday, October 1st is the first day of the month after one full month of employment from the date of initial eligibility.
- ✓ The employee will appear on your October GLI Invoice which is issued the first week in November.