

Program Evaluation Report
Required by 3 MRSA §956
October 31, 2013

Maine Public Employees Retirement System

The Maine Public Employees Retirement System (herein "System") provides the following Program Evaluation Report, organized by the evaluation elements specified in 3 MRSA §956.

A. Enabling or Authorizing Law or other Relevant Mandate, Including Any Federal Mandates

The Maine Public Employees Retirement System is enabled by Administrative Procedures and Services, 5 MRSA Chapter 421 (Section 17101 in particular). The System is further enabled by Executive, 2 MRSA Chapter 1, Section 1-A; Legislature, 3 MRSA Chapter 29, Section 731 (Legislative Retirement Program); and Judiciary, 4 MRSA Chapter 27, Section 1231 (Judicial Retirement Program).

B. A Description of Each Program Administered by the Agency, Including Goals and Objectives, and an Agency Assessment of Performance

The Maine Public Employees Retirement System (MainePERS) is an independent public agency of the State of Maine that traces its history to 1942. By the authority granted to it by the Maine Legislature, the System administers retirement programs that cover State employees, the State's public school teachers, judges, legislators, and employees of the 293 municipalities and other public entities, called "participating local districts" (PLDs) that have chosen to provide retirement plans to their employees through MainePERS. The System is also responsible for the payment of retirement and survivors' benefits to former governors and their surviving spouses and to judges who retired prior to the establishment of the Judicial Retirement Program in 1984. In addition, the System administers a Group Life Insurance Program that provides or makes available life insurance benefits for active and retired System members and for the employees of a few PLDs for whom MainePERS administers only the Group Life Insurance Program. The System also administers defined contribution plans for some PLD employees.

Responsibility for the operation of the Maine Public Employees Retirement System rests with the System's Board of Trustees, which is comprised of eight members. State law specifies the Board's composition. Each trustee is subject to the legislative confirmation process. 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 a 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.

The MainePERS Trustees serve as Trustees of the State and Teacher, Judicial and Legislative Retirement Programs as well as for the PLD Consolidated Program and the Retiree Health Insurance Post-Employment Benefits Investment Trust. The MainePERS Trustees also oversee MaineStart, discussed below.

The Board contracts for the services of an actuary, currently the firm of Cheiron, to prepare annual valuations of the assets and liabilities of each of the retirement programs administered by the System. The actuary provides information and recommendations as to sound and appropriate actuarial assumptions, which are utilized, together with valuation information, to determine funding requirements.

The Board manages System investments through its investment policy. The policy states the Board's underlying investment objectives, sets out the investment strategies intended to realize the objectives and establishes guidelines and criteria for implementation of the strategies. The Board currently contracts with the firm of Strategic Investment Solutions, Inc. to advise it on the investment policy and on implementation of the investment program.

The Board is the final administrative decision maker in matters involving the rights, credits, and benefits of members. It has established an administrative appeals process for the making of such decisions; in this process relevant factual information and legal requirements are identified and analyzed by independent Hearing Officers who serve under contract. In decisions on disability retirement appeals, statutorily established medical boards and individual medical advisors provide recommendations as to the medical aspects of disability. The Board's final administrative decisions are appealable to the Maine Superior Court.

Defined Benefit Pension Plans

The System's retirement program provides a specific retirement benefit based on the member's average final compensation and years of service credit. The employer, not the employee, bears the investment risk. Generally, members are vested, or eligible for benefits upon meeting other qualifications, when they have five years of service. Members who are at, or older than, normal retirement age may vest with one year of service immediately preceding retirement. Normal retirement age for State employees, teachers, judges and legislative members is 60, 62 or 65. For Participating Local District members in the Consolidated Plan, the current normal retirement age is 60. For new members to the Consolidated Plan on and after July 1, 2014, the normal retirement age will be 65. In FY 2013, the System paid \$714,823,347 to approximately 38,000 retirees and beneficiaries.

Disability Program

The System administers the disability retirement program as defined by law for eligible members who become permanently disabled while in service and are unable to perform the duties of their current position. In FY 2013, the System paid \$37,020,969 in disability benefits to approximately 2,100 disability retirees.

Pre-Retirement Death Benefit

Members in the defined benefit pension plans are entitled to pre-retirement death benefits, which consist of certain benefits in the event that the member dies while in active service, while receiving a disability retirement benefit, and in some cases, following active service but prior to receiving a refund or service retirement benefit. In FY 2013, the System paid \$20,515,684 in pre-retirement death benefits to approximately 800 beneficiaries.

Group Life Insurance

The System provides term group life and accidental death and dismemberment insurance to 48,100 participants and retirees through a contract with a licensed insurance company. The vendor performs selected plan administration functions.

The System verifies the validity of claims, determines the claim amounts, obtains necessary documents, and forwards all required material to the insurance company. The insurance company reviews the documentation and issues payment, which is forwarded by the System to the recipient. In FY 2013,

the System paid \$10,426,687 in life insurance proceeds for approximately 580 claims.

Defined Contribution Plans

The System also administers the MaineSTART defined contribution retirement plans that are established under sections 401(a), 403(b), and 457(b) of the Internal Revenue Code. These plans are presently available to employees of those employers in the PLD Consolidated Plan that have adopted one or more of the plans.

As of June 30, 2013, 8 PLD employers offered the 401(a) plan to employees. As of that date, there were a total of 80 participants in that plan with total assets of \$3,764,075.

As of June 30, 2013, 49 PLD employers offered the 457(b) plan to employees. As of that date, there were a total of 480 participants in that plan with total assets of \$12,294,012.

As of June 30, 2013, 1 PLD employer offered the 403(b) plan to employees. As of that date, there were a total of 309 participants in that plans with total assets of \$4,290,445.

Goals and Objectives and Agency Assessment of Performance

The Maine Public Employees Retirement System's mission is to serve the public with sound retirement services to Maine government.

MainePERS implemented the Balanced Scorecard approach to strategic planning in 2012. The Balanced Scorecard approach creates performance metrics used to identify and improve various internal functions in order to achieve external goals or program outcomes. This approach creates a systemic and continuous improvement in program quality and operations.

This Balanced Scorecard technique identifies four separate areas that are analyzed: (1) customers; (2) finance; (3) business processes; and (4) learning and growth. Analysis of these four areas results in goals, and identification of projects to accomplish these goals in an achievable timeframe. Data collection is crucial to providing quantitative results, which is used by MainePERS leadership to make better long-term operational decisions.

MainePERS leadership adapted these four areas as follows, and created objectives included within each area to continuously improve MainePERS performance.

Goal: Service Satisfaction

Objectives:

1. Anticipate and meet our customers' needs.
2. Create easy access for customers to relevant information.
3. Create a unified understanding of customer needs and expectations within the organization.

One project is complete, and three more underway targeted at implementing a consistent customer service delivery throughout all MainePERS services.

Goal: Finance

Objectives:

1. Manage the growth of the trust.
2. Re-engineer one essential process in each business unit to improve service and lower cost.

One project is complete, and one more underway targeted at continuously updating MainePERS knowledge and investment strategy. Three additional projects are underway to implement a continuous reassessment of business processes to reduce cost while increasing customer service.

Goal: Business Process

Objectives:

1. Learn the Balanced Scorecard (BSC) by completing one cycle of the BSC strategic planning.
2. Select re-engineering process for internal business processes improvement.

One project is complete and four more underway to build knowledge and habits incorporating a systematic approach to continuous improvement.

Goal: Learning Culture

Objectives:

1. Establish new organization structure.
2. Increase employee learning and growth.
3. Create a safe, trusting, creative and respectful work environment.

Three projects are underway targeted at building a learning culture and safe work environment through skills and organizational structure.

C. Organizational Structure, Including a Position Count, a Job Classification and an Organizational Flow Chart Indicating Lines of Responsibility

Number of Positions at July 1, 2013:	104
Vacancies at July 1, 2013:	5

A functional organization chart is attached as Exhibit A.

D. Requirement for this Section Repealed by P.L. 2013, Chapter 307

E. Financial Summary, Including Sources of Funding by Program and the Amounts Allocated or Appropriated and Expended Over the Last 10 Years

All members of each plan contribute a percentage of their compensation to the System. The amount of the member contribution is set by statute (or, in the case of the Participating Local District Consolidated Retirement Plan, authorized by statute and set by rule) and varies according to the plan under which a member is covered and other criteria set out in the law. Each employer also contributes to the System in an amount that is a percentage of total wages paid to members who are employees of that employer.

The employer contribution has two components: (1) the normal cost contribution, which, with current member contributions, supports benefits currently being earned by active members and (2) the unfunded actuarial liability (UAL) contribution, which is payment on the amortized debt that represents the liability for

benefits in excess of the amount supported by assets of the System. The State pays the employer contribution on behalf of all State employee members, as well as on behalf of Judicial and Legislative members. The State also pays the unfunded actuarial liability contribution on behalf of teacher members. Beginning July 1, 2013, local school units pay the employer normal cost contribution on behalf of their teacher members. Participating Local District employers pay the employer contribution on behalf of their employees who are members. Employer contribution percentages are actuarially determined by plan and can vary from year to year.

The System's operating funds are provided by its participating employers through an assessment against the plan or program. Total operating expenses for staff and all other costs of operation, with the exception of certain investment-related expenses required by law to be paid directly from investments, are allocated among the System's plans and programs, including the defined benefit plans, the group life insurance program, and the defined contribution plan. The allocation methodology used first allocates identifiable direct costs to each plan or program. The remaining costs are then allocated across each plan or program based on the total assets under management as of June 30 of the previous fiscal year. The allocation methodology produces an annual operating cost for each plan or program based upon an operating budget annually approved by the System's trustees. Operating funds are then collected by assessment across plans and programs. The System's administrative budget is approved annually by the Board of Trustees, and is reported to the Legislature.

The System receives a biennial general fund appropriation for the funding of benefits payable from the Governor's Retirement Fund. Funding of benefits to retired governors and/or the surviving spouse of a retired governor is provided on a pay-as-you-go basis. The System has received the following general fund appropriations in the past ten years, including the current biennium, for the funding of benefits under this plan.

Fiscal Year	Appropriation
2013	\$ 163,928
2012	\$ 163,928
2011	\$ 195,360
2010	\$ 187,633
2009	\$ 126,157
2008	\$ 103,544
2007	\$ 182,187
2006	\$ 175,180
2005	\$ 233,348
2004	\$ 207,042

Beginning July 1, 2005, the System assumed the administrative responsibility for the Pre-1984 Judicial Retirement Fund, which is also funded on a pay-as-you-go basis. The System has received the following general fund appropriations, including the current biennium, for the funding of benefits under this plan.

Fiscal Year	Appropriation
2013	\$ 365,554
2012	\$ 325,477
2011	\$ 927,210
2010	\$ 869,578
2009	\$ 847,839
2008	\$ 786,228
2007	\$ 1,206,383
2006	\$ 1,138,098

The System prepares a Comprehensive Annual Financial Report (CAFR) each year with extensive information on all aspects of its operations. The following information, except for explanatory footnotes, is excerpted from the most recently published CAFR, for the fiscal year ended June 30, 2012, and earlier CAFRs. Unaudited information for the most recent fiscal year ended June 30, 2013 is also provided.

(1) Summary of Investment Activity

FY Ended June 30	(In Millions)		Rate of Return
	Opening Market Value	Closing Market Value	
2013	10,470	11,264	11.1%
2012	10,739	10,470	0.6%
2011	8,934	10,739	22.4%
2010	8,291	8,934	11.1%
2009	10,538	8,291	-18.8%
2008	11,031	10,538	- 3.1%
2007	9,559	11,031	16.2%
2006	8,921	9,559	7.5%
2005	8,021	8,921	11.8%
2004	6,919	8,021	16.6%
10-year period			6.9%

(2) Schedule of Employers' Contributions¹

Year ended:	Annual required contribution	Annual contribution	Percentage contributed
2013	292,694,292	292,694,292	100.0%
2012	274,876,496	275,192,609	100.1%
2011	345,836,800	351,705,637	101.7%
2010	330,312,336	341,527,493	103.4%
2009	331,697,433	331,697,433	100.0%
2008	317,545,895	317,545,895	100.0%
2007	313,944,945	314,214,385	100.1%
2006	300,475,741	317,474,622	100.1%
2005	269,285,655	282,292,459	105.7%
2004	259,147,805	290,572,267	112.1%

(3) Schedule of Funding Progress

Actuarial valuation date:	Actuarial value of assets	Actuarial Accrued Liability (AAL) entry age	Unfunded AAL (UAAL)	Funded Ratio	Annual covered payroll	UAAL as a percentage of covered payroll
June 30						
2013	11,451,993,550	14,394,316,916	2,942,323,366	79.6%	2,131,521,489	138.0%
2012	11,076,440,990	14,011,598,839	2,935,157,949	79.1%	2,203,907,493	133.2%
2011	10,914,716,016	13,602,833,198	2,688,117,182	80.2%	2,088,591,031	128.7%
2010	10,415,109,080	14,799,200,528	4,384,091,448	70.4%	2,079,099,887	210.9%
2009	10,466,858,521	14,409,999,869	3,943,141,348	72.6%	2,061,446,196	191.3%
2008	10,892,728,296	13,674,900,988	2,782,172,692	79.7%	1,991,204,605	139.7%
2007	10,437,099,865	13,089,393,635	2,652,293,770	79.7%	1,940,207,646	136.7%
2006	9,530,598,662	12,357,418,259	2,826,819,597	77.1%	1,872,588,130	151.0%
2005	8,888,156,289	11,689,732,025	2,801,575,736	76.0%	1,821,366,540	153.8%
2004	8,273,559,503	11,068,596,692	2,795,037,189	74.7%	1,764,751,029	158.4%

¹ Includes payment of unallocated surplus pursuant to 5 M.R.S.A. §1536.

(4) Schedule of Benefits Expenses by Type, Net of Accruals

Fiscal Year Ended June 30:	Total Benefits and Refunds Expense	Service Retirees Benefits, Including Beneficiary Benefits	Disability Benefits	Pre-Retirement Death Benefits
2013	806,812,484	714,823,347	37,020,969	20,515,684
2012	779,557,725	670,876,190	36,778,342	19,559,715
2011	722,042,689	625,577,713	36,289,226	19,289,534
2010	682,411,101	595,870,176	35,862,703	19,001,489
2009	678,215,797	564,341,497	45,703,611	12,559,888
2008	611,885,634	516,877,544	53,404,352	6,063,767
2007	571,377,248	484,050,311	51,475,049	5,862,639
2006	529,539,408	448,493,907	48,853,164	5,680,814
2005	493,426,063	419,704,172	44,900,918	5,613,268
2004	456,600,207	387,324,422	41,176,546	5,297,859

Fiscal Year Ended June 30:	<u>Refunds of Contributions</u>			<u>Group Life Insurance</u>	
	Death (Lump Sum)	Other Refunds including Employer Refunds at Plan Termination	Employee Withdrawals Upon Termination	Premium Error Refunds	Claims Benefits
2013	4,359,439	1,254,306	18,412,052	0	10,426,687
2012	4,406,322	18,733,381	21,003,032	3,702	8,197,040
2011	5,139,665	6,496,738	20,567,589	18,145	8,664,079
2010	2,533,464	2,462,834	18,099,434	25,819	8,555,182
2009	4,833,774	2,077,637	38,700,530	32,291	9,966,568
2008	3,517,392	1,840,172	21,950,987	20,511	8,210,909
2007	3,272,721	1,489,218	17,176,811	30,157	8,020,342
2006	2,002,560	1,410,862	15,494,157	32,002	7,571,942
2005	1,917,019	1,353,419	12,704,938	17,279	7,215,050
2004	2,209,683	1,781,147	11,686,892	19,535	7,104,122

(5) **Administrative Operating Expenses.** The following summary has been prepared for this report.

	FY 2004 Actual Total	FY 2005 Actual Total	FY 2006 Actual Total	FY 2007 Actual Total	FY 2008 Actual Total
Salaries & Wages	4,818,236	5,083,284	5,067,880	4,864,641	4,636,023
Direct Benefits	1,572,298	1,723,549	1,748,719	1,703,523	1,540,074
Other Personal Expenses*	708,141	266,539	516,332	992,088	1,384,155
Total Personal Services	7,098,675	7,073,372	7,332,931	7,560,252	7,560,252
All Other Expenses	2,478,664	2,427,215	2,574,933	3,398,058	3,404,829
Total Administrative Expenses	9,577,339	9,500,587	9,907,864	10,958,310	10,965,081
	FY 2009 Actual Total	FY 2010 Actual Total	FY 2011 Actual Total	FY 2012 Actual Total	FY 2013 Actual Total
Salaries & Wages	4,469,192	4,533,799	4,318,913	4,232,282	4,170,470
Direct Benefits	1,554,310	1,508,134	1,610,720	1,524,552	1,512,358
Other Personal Expenses*	348,790	402,123	423,644	123,458	122,062
Total Personal Services	6,372,292	6,444,056	6,353,277	5,880,292	5,804,890
All Other Expenses	4,033,206	3,477,951	3,836,828	3,976,053	4,003,445
Total Administrative Expenses	10,405,498	9,922,007	10,190,105	9,856,345	9,808,335

* Includes payments for retiree health reserve, short-term disability reserves, and other miscellaneous benefits pursuant to MSEA contract.

F. Requirement for this Section Repealed by PL 2013, Chapter 307

G. Coordination with Other State and Federal Agencies

The System coordinates with state agencies, including the Departments of Administration and Financial Services, State Employee Health Commission, Maine Revenue Services, Department of Education, Department of Labor, Worker's Compensation, Department of Health and Human Services principally to share information that will foster more effective and efficient administration of benefits and services. The System also cooperates with the Social Security Administration to educate members and retirees about benefits available under both programs.

H. Constituencies Served by the Agency

System constituents include members, retirees, beneficiaries, employers, and the interest groups who represent these constituencies.

I. A Summary of Efforts by the Agency or Program Regarding the Use of Alternative Delivery Systems, Including Privatization, in Meeting Its Goals and Objectives

The System utilizes private providers for two programs administered by the System.

The Group Life Insurance Program available to System members is administered by Aetna Life Insurance Company of Hartford, Connecticut.

For the 401(a) Defined Contribution and 457(b) and 403(b) Deferred Compensation plans for which the System is the Plan Sponsor and administrator, the System contracts with Verisight to provide record keeping services.

J. Identification of Emerging Issues for the Agency or Program in the Coming Years

Please see the section on Goals and Objectives.

K. Any Other Information Specifically Requested by the Committee of Jurisdiction

No additional information has been requested.

L. **A Comparison of Any Related Federal Laws and Regulations to the State Laws Governing the Agency or Program and the Rules Implemented by the Agency or Program**

MainePERS administers governmental defined benefit and defined contribution retirement plans. Governmental plans are not subject to the provisions of three federal laws that are relevant to private pension and retirement plans: the Employee Retirement Income Security Act of 1974, or ERISA; certain portions of the United States Internal Revenue Code (the "IRC"); and for private defined benefit plans, the laws and regulations of the Pension Benefit Guaranty Corporation, or PBGC. A number of other federal laws do affect the administration of MainePERS' retirement plans, including the United States Constitution, the Civil Rights Act, the Age Discrimination in Employment Act, the Americans with Disabilities Act, the Family and Medical Leave Act, the Uniformed Services Employment and Reemployment Rights Act and the Veterans Reemployment Rights Act.

The defined benefit and defined contribution programs administered by the System must maintain compliance with applicable provisions of the IRC in order to maintain their status as "qualified plans" under the Code. Among others, the following IRC requirements apply: (a) §401(a) (2) ("exclusive benefit rule"); (b) §503 (special prohibited transaction rules for state and local plans); and (c) §§401(a) (29), (32), (33) and 412 (minimum funding requirements).

In order to continue to qualify the plans administered by MainePERS for favorable tax treatment, they need to comply with federal tax law. One of the requirements of federal tax law is that the assets of one trust, or plan, can only be used for the exclusive benefit of the employees and beneficiaries of that plan, and cannot be used to satisfy the liabilities of any other plan. Although MainePERS has consistently administered the plans in accordance with the exclusive benefit rule, the Internal Revenue Service requires that the relevant statutes specifically contain a statement to that effect.

Therefore, we request that 5 M.R.S. § 17152 be amended as follows (the added language is underlined):

§ 17152. Funds

The board of trustees may combine funds from the State Employee and Teacher Retirement Program and the assets of other programs of the Maine Public Employees Retirement System for investment purposes. The assets and funds of other programs of the Maine Public Employees Retirement System and the assets

and funds of the State Employee and Teacher Retirement Program may not be combined for benefit purposes or for administrative expenses. All the assets of the retirement system must be credited according to the purpose for which they are held among the several funds created by this section, namely:

M. Agency Policies for Collecting, Managing and Using Personal Information Over the Internet and Non-Electronically, Information on the Agency's Implementation of Information Technologies and An Evaluation of the Agency's Adherence to the Fair Information Practice Principles of Notice, Choice, Access, Integrity and Enforcement

The security policies of the agency are under the jurisdiction of the Information Technology (IT) Security Council with composition of three executives, Network and Operations Supervisor, Security Administrator, and two external partners. The role of the Council is to review and create security policies for the protection of System electronic assets. The operating environment consists of System employees as well as two external partners with expertise in technology security.

The collection of data is for official use only and is necessary to perform business operations; MainePERS requests and retains information necessary for the fulfillment of agency responsibilities. Information arrives to MainePERS through secure manual processes, such as the United States Postal Service and electronically using secure technologies, such as using encryption.

The MainePERS approach to protecting information is with the layering of security. Protection for the MainePERS perimeter includes firewalls with Intrusion Detection System (IDS) and Intrusion Prevention System (IPS). Webservers, and Employer Self Service (ESS) portal are accessible through a demilitarized zone (DMZ) of the network. Secure Socket Layer (SSL) encryption protects employers' transactions through the ESS portal with data storage occurring in the Oracle database. File servers, databases, and applications utilize security best practices, such as complex passwords.

External remote access occurs through devices owned by the System and with leading security solutions providing both access and security protection. The System is in the implementation phase of establishing the use of two-factor authentication for remote access with individual user access receiving approval of the Agency's Senior Management Team.

Mobile devices such as laptops include full disk encryption, password and encrypted memory sticks, and private non-System owned devices are not authorized for use for storing System information or accessing the System network. Employees are restricted from the use of System owned resources for personal activities.

Security monitoring of network communications occurs through two technology providers. Real-time manage security monitoring and alert notification notifies System IT employees when suspicious activity occurs and escalates to senior management for serious situations. Next day security monitoring of system, event, and activity logs providing a holistic view of network activity with daily and monthly reports.

Members, employers, and other stakeholders needing to communicate electronically with MainePERS have the ability to use Zix Mail, a secure e-mail service that encrypts e-mails. From a link on the System's website, access to the secure e-mail portal is available. Protection against e-mail vulnerabilities, such as Phishing attacks is through SPAM cleansing filters.

Physical security and availability of information includes physical protection of the Data Center. Protection includes redundant cooling systems, fire detection system, fire prevention system, and access control to the area on a need-to-access basis. Archival and backup tapes include encryption protection and off-site transportation occurs through a third-party using rigorous security procedures and controls to protect information assets.

On an annual basis the System performs penetration testing against the network perimeter and includes website security testing. The ethical hacking ensures security is appropriate against external malicious attackers. On a bi-annual basis, the System conducts a Configuration & Vulnerability Assessment (CAVA) reviewing network and server security configurations. Also on an annual basis the System conducts an IT Risk assessment examining the IT structure, policies, and procedures. Periodically the System Internal Auditor and the external financial auditors conduct reviews of IT.

N. A List of Reports, Applications and Other Similar Paperwork Required to Be Filed with the Agency by the Public

A list of filing requirements and filing statistics can be found in Exhibit B.

O. As Enacted by PL 2013, Chapter 110, Identification of Provisions contained in the Agency's Enabling or Authorizing Statutes that may Require Legislative Review to Determine the Necessity of Amendment to Align the Statutes with Federal Law, Other State Law or Decisions of the United States Supreme Court or the Supreme Judicial Court

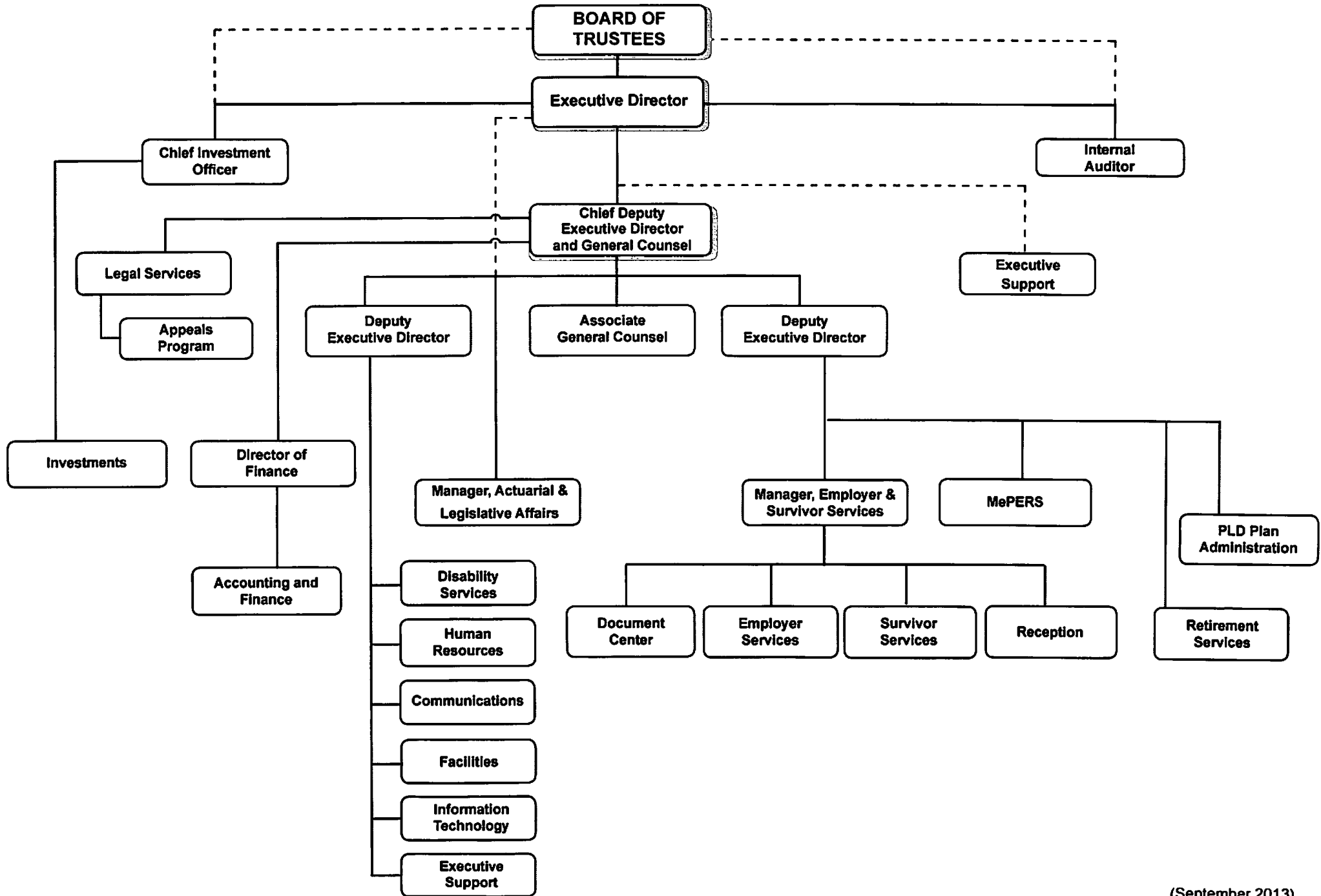
See Section L above. Additionally, the System continuously monitors for this purpose, and recently engaged in rulemaking to implement certain provisions of federal tax law.

O. **As Enacted by PL 2013, Chapter 307, A List of Reports Required by the Legislature to Be Prepared or Submitted by the Agency**

A list of required reports can be found in Exhibit C.

P. **A Copy of the Single-Page List of Organizational Units and Programs within each Organizational Unit required Pursuant to Section 955, subsection 1, placed at the front of the Report**

A functional organization chart is attached as Exhibit A.



**EXHIBIT B
FORMS REQUIRED TO BE FILED WITH MAINEPERS**

FORM	STATUTORY AUTHORITY	LAST REVISED	FREQUENCY	NUMBER RECEIVED (CY)*			
				2011	2012	2013	2014
Application for Membership (Form CL-0102)	5 MRSA §17651	9/11	When becoming a member	10,644	13,444	11,417	12,092
Refund Application (Form GU-0002)	5 MRSA §17705	2/12	When applying for refund of contributions	972	1,459	1,313	1,586
Application for Coverage Group Life Insurance (Form GI-0908)	5 MRSA §§18058, 18658	7/12	Within 31 days of entering an eligible position	2,603	5,013	4,888	4,168
Dependent Insurance (Form GL-0880)	5 MRSA §§18058(3), 18658 (3)	7/12	To obtain dependent coverage for new dependent post initial eligibility without EOI	37	30	52	40
Cancellation/Reduction in Coverage (Form GI-0881)	5 MRSA §§18058(2), 18658(2)	9/11	When cancelling or reducing GLI coverage	265	320	286	290
Member Statement of Death Claim (Form GI-0905)	5 MRSA §§18057, 18657	5/09	Upon death of individual with GLI coverage	N/A	492	564	528
MainePERS Employer Security Authorization Form (EM-003)	5 MRSA §17105	7/11	Upon becoming a reporting employer and upon security administrator position change	613	55	104	78
Application for Service Retirement Benefits (Form CL-0715)	3 MRSA §851 4 MRSA §1351 5 MRSA §§17803, 18403	7/12	At time of retirement	2,293	1,796	1,600	1,600
Confidentiality Election Form Home Contact Information (Form GU-1021)	5 MRSA §17057 sub-§3 C	9/11	At any time the member/retiree makes an election	N/A	292	262	266
Application for Disability Retirement Benefits (Form DC-0003)	3 MRSA §853 4 MRSA §1353 5 MRSA §§1122, 17902, 17925, 18525	2/11	When applying for benefits	238	192	172	170
Report of Continuing Disability (Form DC-0005)	3 MRSA §853 5 MRSA §18507, 18529 4 MRSA §1353 5 MRSA §17929 5 MRSA §§1122	1/11	After five years and then two years thereafter Every two years Annually for the first five years and every three years thereafter	365	138	350	360
Annual Statement of Compensation (Form DC-0482)	3 MRSA §853 4 MRSA §1353 5 MRSA §§1122, 17909, 17931, 18509, 18531	12/12	Annually	1604	1592	1595	1590

*Calendar Year (CY) 2013 and 2014 are estimates.

EXHIBIT C
REPORTS REQUIRED BY THE LEGISLATURE

REPORT	STATUTORY AUTHORITY	FILING REQUIREMENT DATE	FILING FREQUENCY
Annual Report to Legislative Committee of Jurisdiction	5 MRSA §17103 (11)	March 1	Annually
Military Service Credit Subsidized Purchase Report	5 MRSA §17760 (6)	February 15	Annually