



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

**Actuarial Valuation Report  
as of June 30, 2009**

Produced by **Cheiron**

**February 2010**

## Table of Contents

Letter of Transmittal.....	i
Foreword.....	ii
Section I – Board Summary.....	1
Section II – Assets.....	11
Section III – Liabilities.....	16
Section IV – Contributions.....	19
Section V – Accounting Statement Information.....	23
Appendix A – Participating Local District Plan Elections.....	29
Appendix B – Member and Benefits Recipients Data and Profiles.....	51
Appendix C – Summary of Plan Provisions.....	58
Appendix D – Actuarial Assumptions and Methods.....	64

February 24, 2010

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

Dear Members of the Board:

At your request, we have conducted our annual actuarial valuation of the Consolidated Plan for Participating Local Districts of the Maine Public Employees Retirement System as of June 30, 2009. The results of the valuation are contained in this report. The purpose of the valuation is discussed in the Foreword.

This report contains information on Plan assets, as well as analyses which combine asset and liability performance and projections. The report also discloses employer contribution levels, and required disclosures under the Government Accounting Standards Board Statement #25.

Your attention is called to the Foreword in which we refer to the general approach employed in the preparation of this report. We also comment on the sources and reliability of both the data and the actuarial assumptions on which our findings are based. Those comments are the basis for our certification that this report is complete and accurate to the best of our knowledge and belief. The results of this report are only applicable to Participating Local District (PLD) contributions for Fiscal Year Ending 2011 and rely on future plan experience conforming to the underlying assumptions. To the extent that actual plan experience deviates from the underlying assumptions, the results would vary accordingly.

I hereby certify that, to the best of my knowledge, this report is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the Code of Professional Conduct and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board, and that as a Member of the American Academy of Actuaries, I meet the Qualification Standards to render the opinion contained in this report.

Sincerely,  
Cheiron

A handwritten signature in black ink that reads 'Fiona E. Liston'.

Fiona E. Liston, FSA, EA  
Consulting Actuary



## FOREWORD

Cheiron has performed the actuarial valuation of the Consolidated Plan for Participating Local Districts (PLDs) of the Maine Public Employees Retirement System (MainePERS) as of June 30, 2009. The purpose of this report is to:

- 1) **Measure and disclose**, as of the valuation date, the financial condition of the Plan;
- 2) **Indicate trends** in the financial progress of the Plan;
- 3) **Determine the contribution rate** to be paid by the PLDs for Fiscal Year 2011; and
- 4) **Provide specific information** and documentation required by the Government Accounting Standards Board (GASB).

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

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

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

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

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

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

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

In preparing our report, we relied without audit, on information (some oral and some written) supplied by the MainePERS's staff. This information includes, but is not limited to, plan provisions, employee data, and financial information.

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

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

SECTION I  
BOARD SUMMARY

**General Comments**

Most of the Participating Local Districts (PLDs) in the State of Maine participate in this Consolidated Retirement Plan. The Plan offers a number of benefit choices from which the PLDs can choose and each benefit choice has a pre-determined normal cost associated with it to be paid by both the member and the PLD. This normal cost would only change following a change in actuarial assumptions or methods following an experience study. In addition, the PLDs' total contributions (normal cost plus unfunded cost) are set using a Corridor Funding Method. Under this funding approach, the PLD rate is fixed as long as the Plan's funded status (the ratio of actuarial assets to actuarial accrued liability) remains within a corridor of 90% to 130%. As of this June 30, 2009 valuation, the funded ratio is 98%.

As long as the funded ratio remains within the corridor, the total PLD contribution rate is fixed at 3% of payroll. If the funded status falls outside of the corridor, the employer contribution rate will be incrementally adjusted, but will never be less than a given minimum rate, unless the Board identifies compelling circumstances dictating otherwise. The factor for incremental adjustments when the funded status falls outside the range is 10% of the difference between the calculated rate and the rate then in effect. The minimum base rate is 1% of payroll.

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

The current fixed rate of 3% of payroll represents the aggregate of the rates of the various plan benefit structures within the Consolidated Plan. Our projections show that without a significant turnaround in the assets, the corridor will be breached by the 2011 valuation, requiring increases in the calculated contribution rate of about 1.5% of payroll in each of the subsequent 10 years. Even these increases would fall short of the rate being used for disclosure of funding expense, and it would take an additional five or six years to catch up to the full level of actuarial funding. Therefore given the magnitude of recent market asset losses, combined with the significant lag time between any given valuation date and the time at which the rates produced are ultimately paid, leads us to strongly recommend that contribution rates be stepped up now from the current 3% rate to at least 4%. The rates for the plans reflect the payroll-weighted normal cost and pooled UAL contributions under each plan. The resulting rates for each plan are shown in Section IV of this report.

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

**Trends**

The financial markets produced a negative 19% return this year, which was far below our actuarial assumption of 7.75%. On an actuarial value basis, the assets returned a negative 3.1% compared with an assumed rate of return of 7.75% producing an asset loss of \$201 million.

The measurement of liabilities produced a loss this year in the amount of \$15 million. In addition, there were a number of assumption changes whose net result was a gain of \$28 million.

The combination of these three components over the last year produced a net loss of \$188 million resulting in the Plan's funding

**CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2009**

**SECTION I  
BOARD SUMMARY**

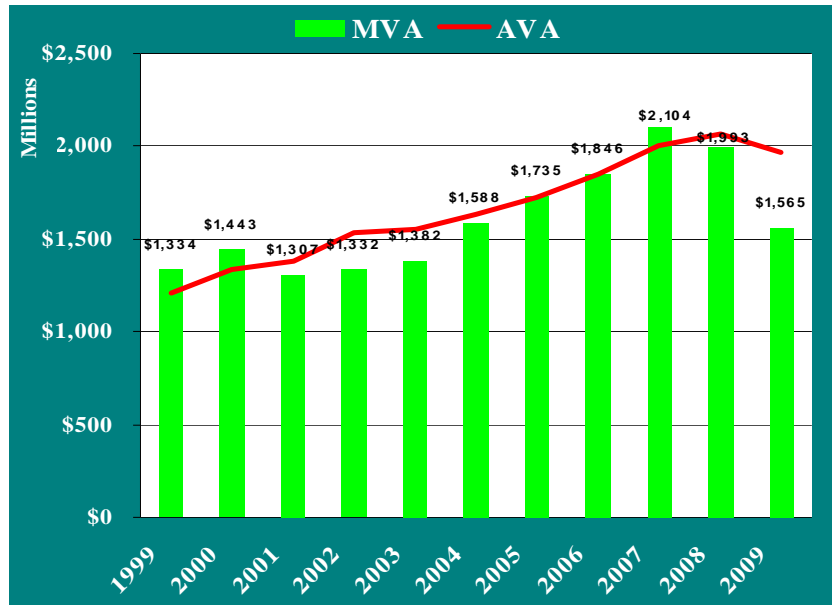
ratio (actuarial value of assets over actuarial accrued liability) decreasing from 109% as of June 30, 2008 to 98% as of June 30, 2009.

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

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2009

SECTION I  
BOARD SUMMARY

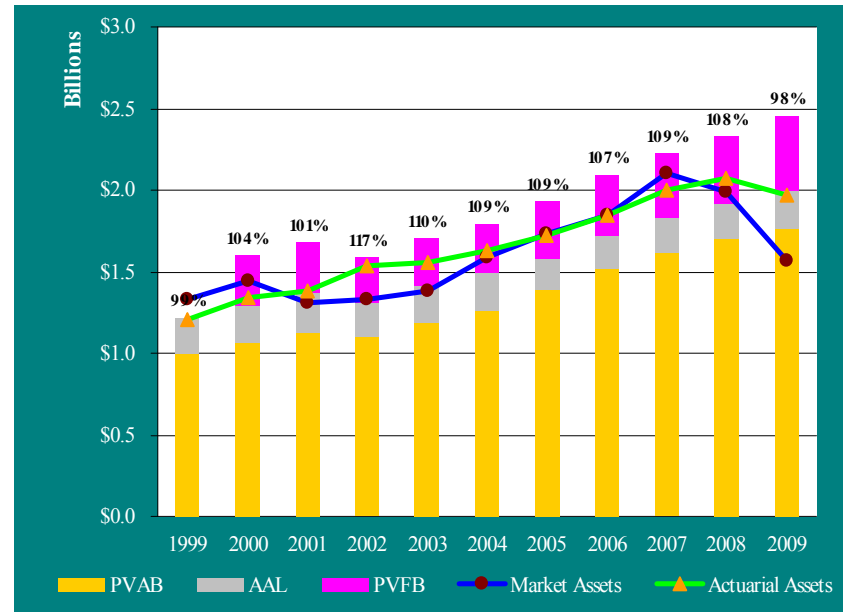
Growth in Assets



The above graph illustrates how the actuarial smoothing method has insulated the Plan from market volatility.

While the market value of assets (MVA) declined from 2000 to 2001 and has been slowly recovering since that time, the actuarial, or smoothed, value of assets (AVA) showed increases over the entire period. Losses this year were enough to reverse growth in actuarial value.

Assets and Liabilities



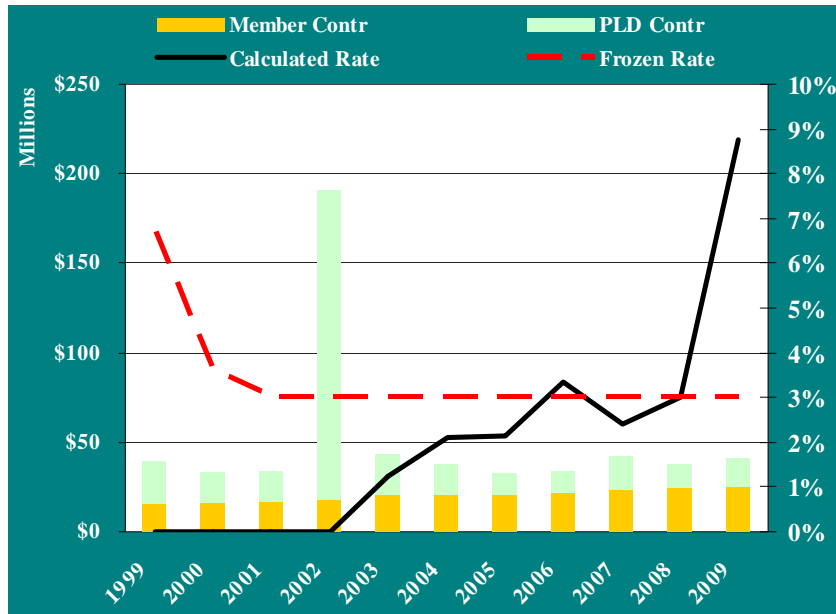
In this comparison graph, the three colored bars represent the three different measures of liability mentioned in this report. For funding purposes, the target amount Actuarial Accrued Liability (the AAL) is represented by the top of the grey bar. We compare the actuarial value of assets to this measure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

The chart illustrates that the Plan had its highest funded percentage (117%) at June 30, 2002, which was just after several PLDs paid off their IUUALs. The amount represented by the top of the pink bars, the Present Value of Future Benefits (PVFB), is the amount needed to provide all benefits for the current participants and their beneficiaries. If the Plan had assets equal to the PVFB no contributions would, in theory, be needed for the current members. The yellow bars represent the Present Value of Accrued Benefits (PVAB) which is the value of all benefits accrued through the valuation date.

**CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2009**

**SECTION I  
BOARD SUMMARY**

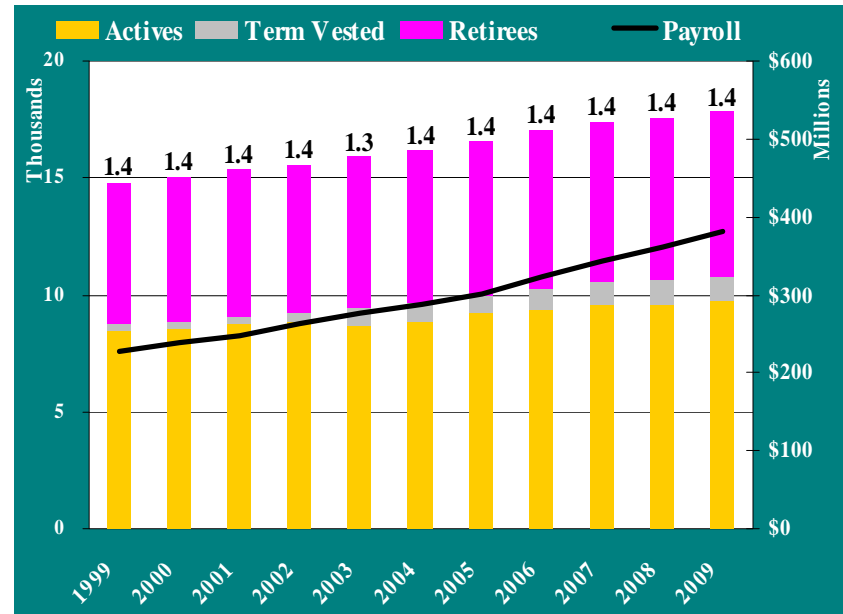
Contributions



The stacked bars in this graph show the contributions made by both the PLDs and the members in dollar terms. The black line shows the aggregate calculated PLD contribution rate as a percent of payroll and the red, dotted line shows the corridor contribution rate which was actually charged.

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

Participant Trends



The above chart shows the number of actives, terminated vested and retired members covered by the Consolidated Plan. The black line indicates growth in the covered payroll of actives in this Plan.

There has been about 1.5% per year growth in the active and a 1.3% per year growth in the retired members of the Plan. The terminated vested group has shown the most growth, averaging 18% per year.

As with many funds in this country, there has been a steady growth in the number of retired members as the Plan has matured. The labels above each bar show the “support ratio” defined as the number of active members per retiree. We anticipate this support ratio will begin to decline as the baby boom generation enters retirement. The valuation process takes this trend into account and the projections on the next two pages show that the assets will be sufficient to meet this growing demand.



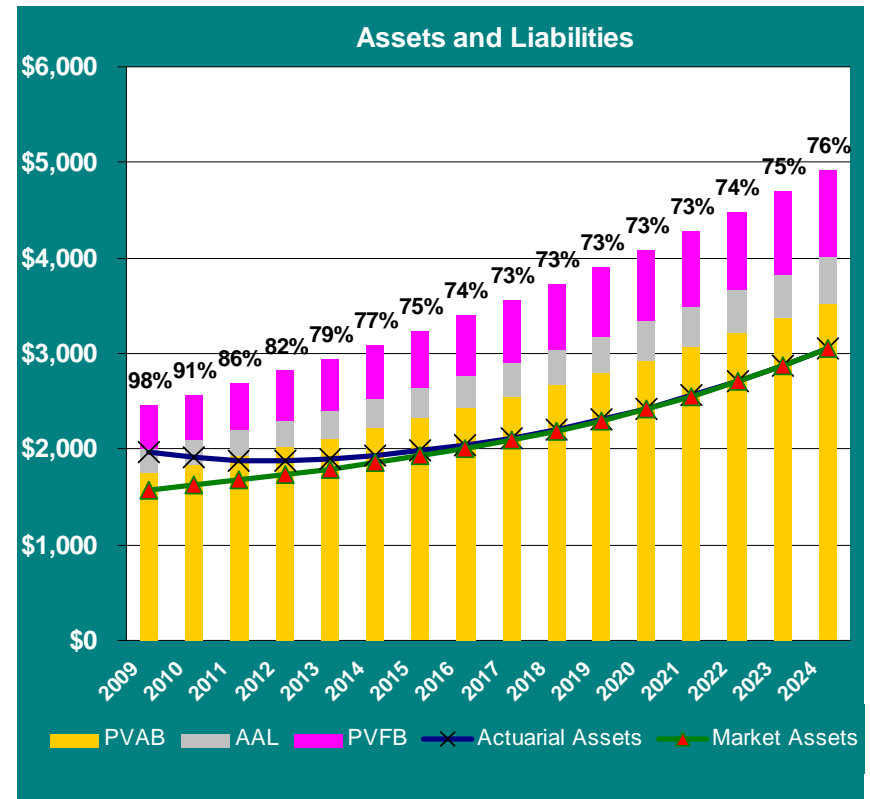
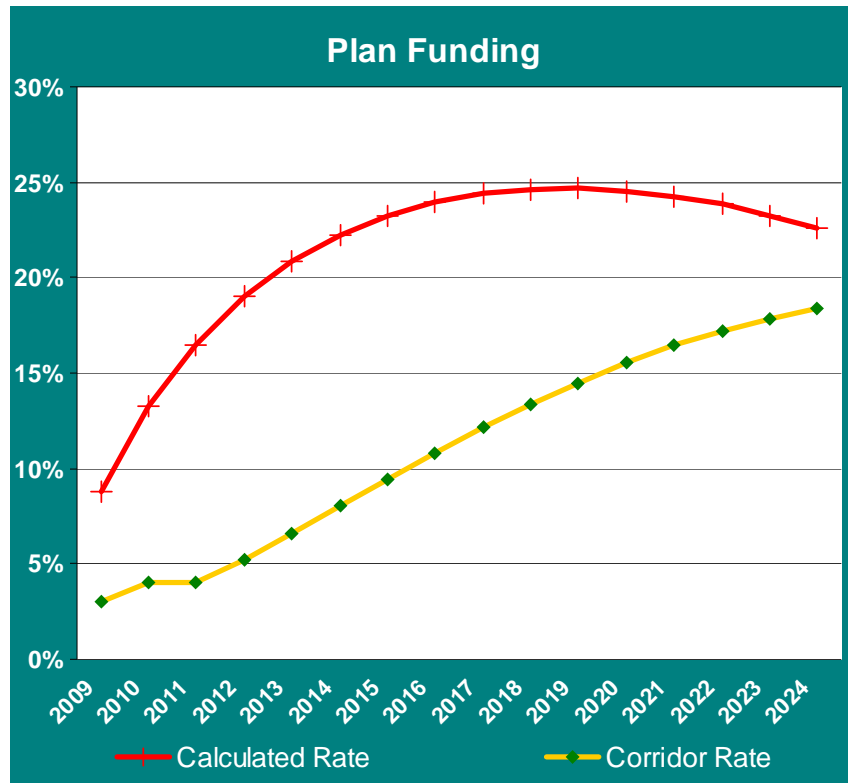
SECTION I  
 BOARD SUMMARY

Projections

Base Line Projections

The two charts below show the expected progress of the Plan over the next 15 years assuming the Plan's assets earn 7.75% on their market value. The chart entitled "Plan Funding" shows that if the market losses measured through June 30, 2009 are not compounded the contribution rate will escalate as stored losses are recognized. The red line shows the actuarially calculated rate if the corridor were not in place.

The Assets and Liabilities chart shows the projected funding status over the next 15 years. The current contribution rate structure is assumed to remain in place. The Plan's funded status is projected to decrease from the current level of 98% down to around 74%, as the rest of last year's investment losses work their way into the smoothed assets.



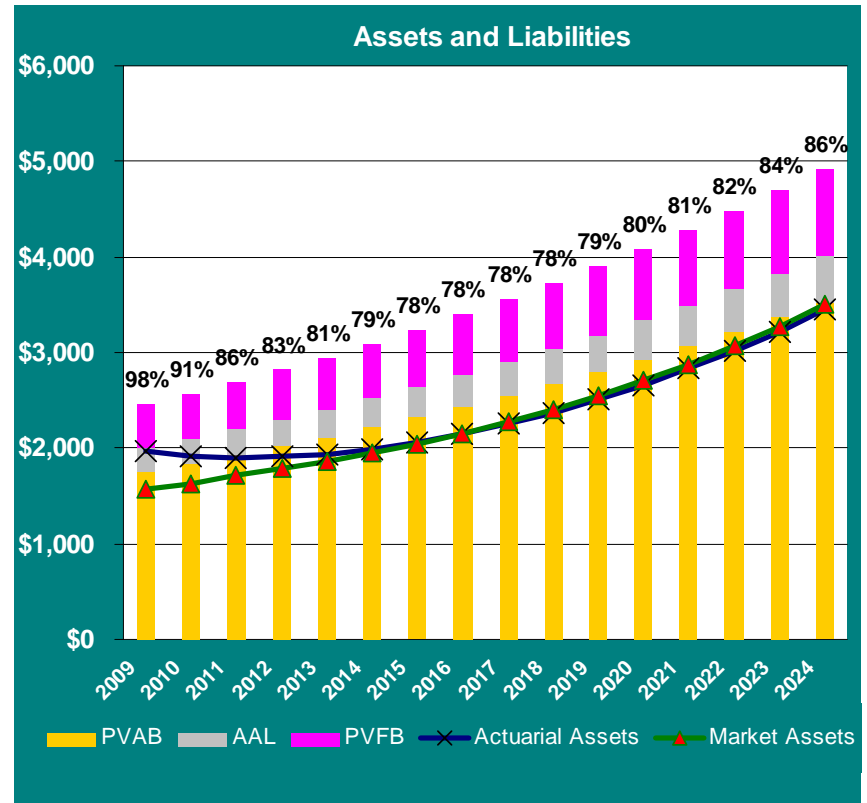
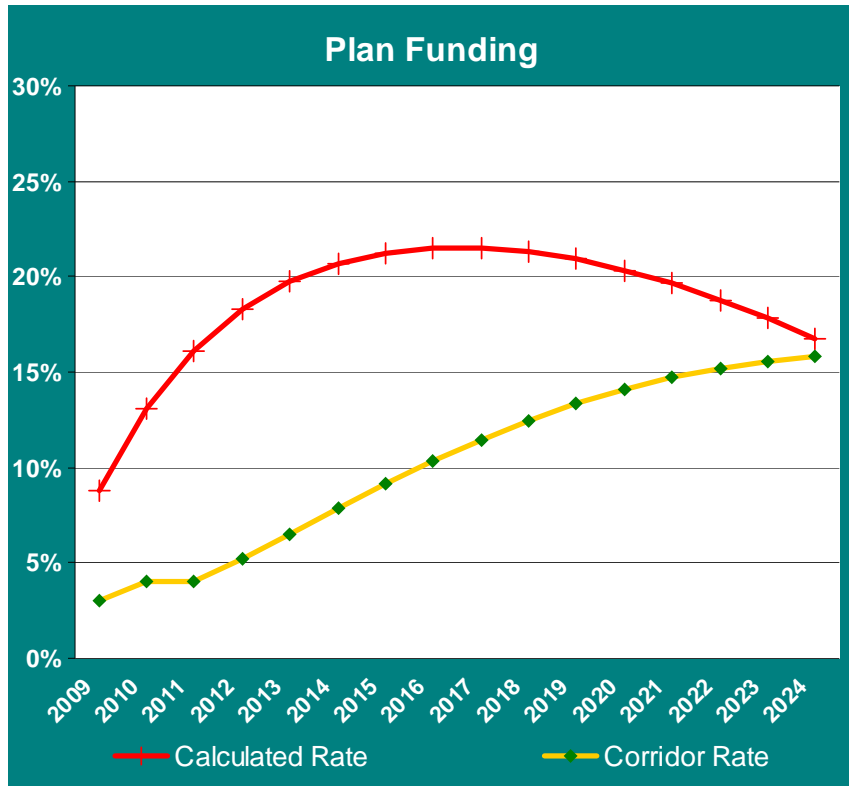
**CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2009**

**SECTION I  
BOARD SUMMARY**

Projections with Asset Returns of 8.75%

The future funding of this Plan will be largely driven by the investment earnings. Due to the size of assets, as compared to liabilities, the Plan is in a highly leveraged position. This means that relatively minor changes in the market returns can have significant effects on the Plan's status. The next two charts show what the next 15 years would look like with a 8.75% annual return in each year.

The aggregate contribution rate produced by the valuation process would increase to over 20% of payroll and the corridor method rate to over 15%. The funded ratio decreases to around 78%.



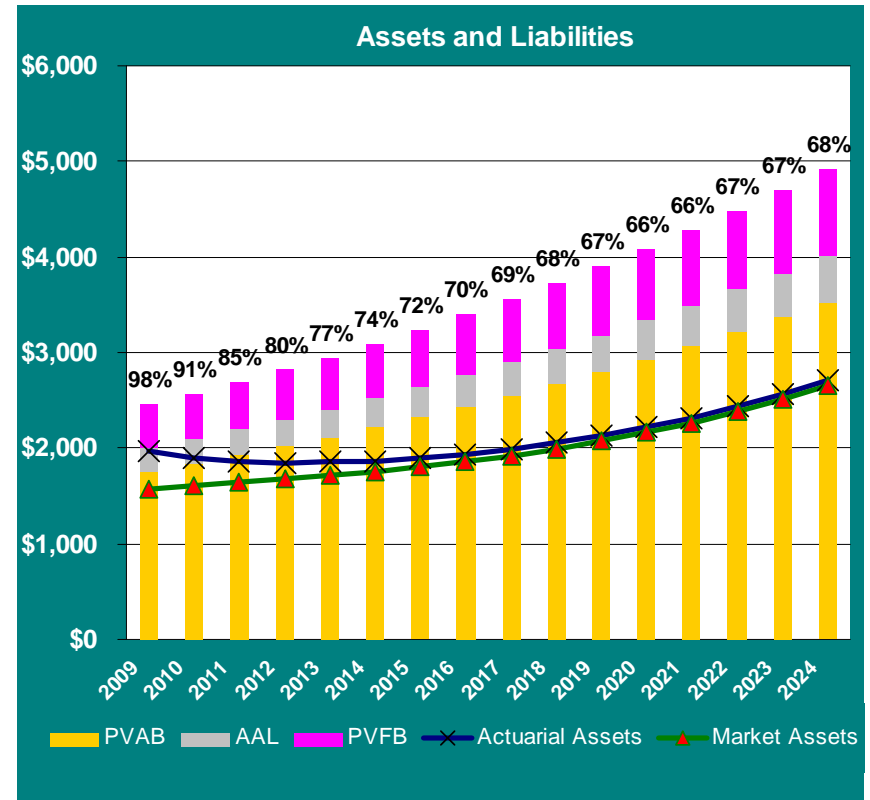
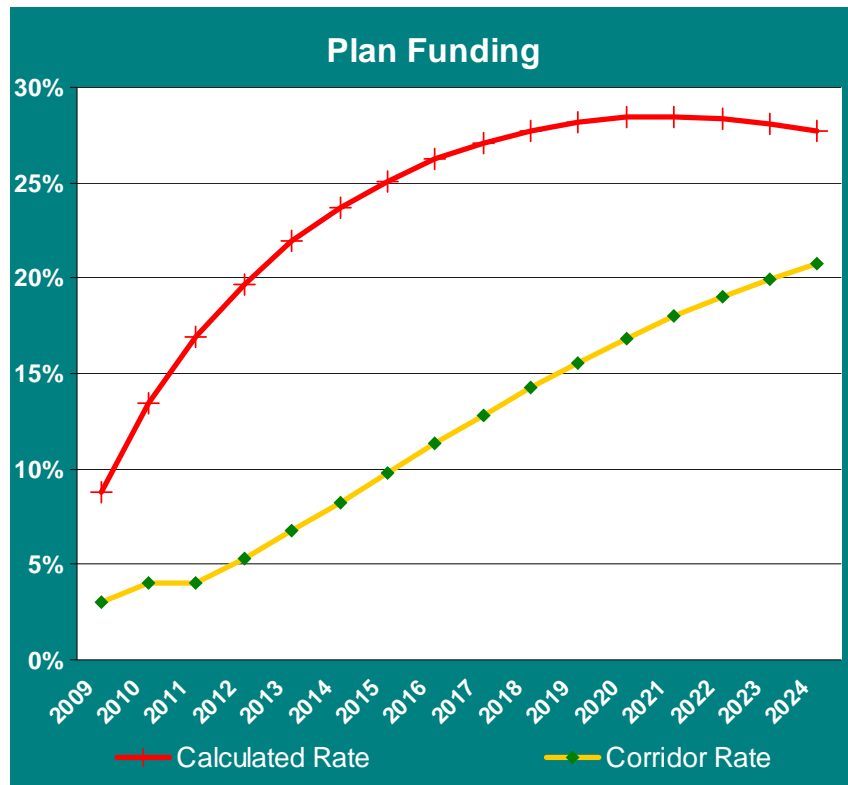
**CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2009**

**SECTION I  
BOARD SUMMARY**

Projections with Asset Returns of 6.75%

If the assets were to return an average of 6.75% per year over the next 15 years, the contribution rate escalates throughout the period.

The funded ratio would fall to 66% before slowly improving.



CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2009

SECTION I  
BOARD SUMMARY

<b>Summary of Principal Results</b>			
<b>PLD Consolidated Retirement Plan</b>			
<b>Valuation as of:</b>	<b>Total</b>		
	<b>June 30, 2008</b>	<b>June 30, 2009</b>	<b>% Change</b>
<b><u>Participant Counts</u></b>			
Actives	9,562	9,719	1.6%
Retired Members	5,253	5,382	2.5%
Beneficiaries of Retired Members	1,065	1,134	6.5%
Survivors of Deceased Members	225	166	(26.2)%
Disabled Members	396	339	(14.4)%
Terminated Vested Members	<u>1,081</u>	<u>1,092</u>	1.0%
Total Membership	17,582	17,832	1.4%
Annual Salaries of Active Members	\$ 360,693,816	\$ 380,541,135	5.5%
Annual Retirement Allowances for Retired Members, Beneficiaries, Survivors and Disabled Members	\$ 87,059,562	\$ 93,249,060	7.1%
<b><u>Assets and Liabilities</u></b>			
<b><u>Funding Liability</u></b>			
Actuarial Accrued Liability	\$ 1,913,876,315	\$ 2,000,259,709	4.5%
Actuarial Value of Assets	<u>2,069,378,042</u>	<u>1,967,968,244</u>	(4.9)%
Unfunded Actuarial Liability	\$ (155,501,727)	\$ 32,291,465	120.8%
Unpooled Portion (IUUAL)	<u>11,976,319</u>	<u>11,191,002</u>	(6.6)%
Pooled Portion (PUAL)	\$ (167,478,047)	\$ 21,100,463	112.6%
Actuarial Liability Funding Ratio	108%	98%	
<b><u>FASB Accounting Liability</u></b>			
Accrued Benefit Liability	\$ 1,697,362,243	\$ 1,760,631,070	3.7%
Market Value of Assets	<u>1,992,758,461</u>	<u>1,564,940,927</u>	(21.5)%
Unfunded Accrued Benefit Liability	\$ 0	\$ 195,690,143	
Accrued Benefit Funding Ratio	117%	89%	

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2009

SECTION I  
BOARD SUMMARY

Valuation as of:	June 30, 2008	June 30, 2009	% Change
<b>Summary of Principal Plan Results</b>			
<b>PLD Consolidated Retirement Plan</b>			
<b>Regular Plans, AC, AN &amp; BC</b>			
<b><u>Participant Counts</u></b>			
Actives	7,347	7,440	1.3%
Retired Members	3,634	3,719	2.3%
Beneficiaries of Retired Members	855	919	7.5%
Survivors of Deceased Members	207	146	(29.5)%
Disabled Members	309	259	(16.2)%
Terminated Vested Members	1,044	1,029	(1.4)%
Total Membership	13,396	13,512	0.9%
Annual Salaries of Active Members	\$ 249,048,352	\$ 262,910,242	5.6%
Annual Retirement Allowances for Retired Members, Beneficiaries, Survivors and Disabled Members	\$ 50,120,959	\$ 53,318,970	6.4%
<b><u>Assets and Liabilities</u></b>			
<b><u>Funding Liability</u></b>			
Actuarial Accrued Liability	\$ 1,125,687,758	\$ 1,188,108,408	5.5%
Actuarial Value of Assets	1,217,074,484	1,168,936,071	(4.0)%
Unfunded Actuarial Liability	\$ (91,386,726)	\$ 19,172,337	121.0%
Unpooled Portion (IUUAL)	7,791,035	7,034,026	(9.7)%
Pooled Portion (PUAL)	\$ (99,177,761)	\$ 12,138,311	112.2%
Actuarial Liability Funding Ratio	108%	98%	
<b><u>FASB Accounting Liability</u></b>			
Accrued Benefit Liability	\$ 992,222,677	\$ 1,028,177,712	3.6%
Market Value of Assets	1,172,011,796	929,545,435	(20.7)%
Unfunded Accrued Benefit Liability	\$ 0	\$ 98,632,277	
Accrued Benefit Funding Ratio	118%	90%	

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2009

SECTION I  
BOARD SUMMARY

Valuation as of:	June 30, 2008	June 30, 2009	% Change
<b>Summary of Principal Plan Results</b>			
<b>PLD Consolidated Retirement Plan</b>			
<b>Special Plans 1C-4C &amp; 1N-4N</b>			
<b><u>Participant Counts</u></b>			
Actives	2,215	2,279	2.9%
Retired Members	1,619	1,663	2.7%
Beneficiaries of Retired Members	210	215	2.4%
Survivors of Deceased Members	18	20	11.1%
Disabled Members	87	80	(8.0)%
Terminated Vested Members	37	63	70.3%
Total Membership	4,186	4,320	3.2%
Annual Salaries of Active Members	\$ 111,645,464	\$ 117,630,893	5.4%
Annual Retirement Allowances for Retired Members, Beneficiaries, Survivors and Disabled Members	\$ 36,938,603	\$ 39,930,090	8.1%
<b><u>Assets and Liabilities</u></b>			
<b><u>Funding Liability</u></b>			
Actuarial Accrued Liability	\$ 788,188,557	\$ 812,151,301	3.0%
Actuarial Value of Assets	852,303,557	799,032,173	(6.3)%
Unfunded Actuarial Liability	\$ (64,115,000)	\$ 13,119,128	120.5%
Unpooled Portion (IUUAL)	4,185,285	4,156,976	(0.7)%
Pooled Portion (PUAL)	\$ (68,300,285)	\$ 8,962,152	113.1%
Actuarial Liability Funding Ratio	108%	98%	
<b><u>FASB Accounting Liability</u></b>			
Accrued Benefit Liability	\$ 705,139,566	\$ 732,453,358	3.9%
Market Value of Assets	820,746,665	635,395,492	(22.6)%
Unfunded Accrued Benefit Liability	\$ 0	\$ 97,057,866	
Accrued Benefit Funding Ratio	116%	87%	

## SECTION II ASSETS

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

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

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

- **Disclosure** of assets at June 30, 2008 and June 30, 2009;
- Statement of the **changes** in market values during the year;
- Development of the **Actuarial Value of Assets**;
- **Allocation** of Actuarial Value to subplans;
- Assessment of **investment performance**; and
- Projection of expected **cashflows** for the next ten years.

### Disclosure

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

The actuarial value is based on the market value that has been smoothed. This actuarial value becomes the actuary's best estimate of long-term asset values and is used for evaluating the Program's ongoing ability to meet its obligations.

Current actuarial methods employed in this Program set the actuarial value equal to the expected value plus one-third of the difference between the actual market value of assets and the expected value of assets. The expected value of assets takes the prior year's actuarial value of assets and adjusts it for contributions, benefit payments, and expected interest earnings at the assumed 7.75% rate.

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2009

**SECTION II  
ASSETS**

Changes in Market Value of Total Defined Benefit Plan Assets (All Programs)		
<b>Value of Assets – June 30, 2008</b>		<b>\$ 10,489,420,509</b>
<b><u>Additions</u></b>		
Contributions:		
Employer Contributions	\$ 331,697,434	
Employee Contributions	154,552,101	
Transfer	(61,280)	
Total Contributions		\$ 486,188,255
Investment Income:		
Net Appreciation (Depreciation) in Fair Value of Investments	\$(1,952,074,882)	
Interest on Bank Balances	673,353	
Total Investment Income		\$ (1,951,401,529)
Investment Activity Expenses:		
Management Fees	\$ (22,346,378)	
Investment Related Expense	(752,292)	
Banking Fees	(31,336)	
Total Investment Activity Expenses		\$ (23,130,006)
Net Income from Investing Activities		\$ (1,974,531,536)
Total Additions		\$ (1,488,343,281)
<b><u>Deductions</u></b>		
Retirement Benefits	\$ (564,168,714)	
Disability Benefits	(45,703,611)	
Survivor Benefits	(12,559,888)	
Refunds and Other Expenses	(55,332,214)	
Total Deductions		\$ 677,764,427
<b><u>Total</u></b>		
Net Increase/(Decrease)		\$ (2,166,107,708)
<b>Value of Assets – June 30, 2009</b>		<b>\$ 8,323,312,801</b>



**CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2009**

**SECTION II  
ASSETS**

<b>Development of Actuarial Value of Assets (All Programs) as of June 30, 2009</b>	
1. Actuarial Value of Assets at June 30, 2008	\$ 10,892,728,296
2. Amount in (1) with Interest to June 30, 2009	11,736,914,739
3. Employer and Member Contributions for the Plan Year Ended June 30, 2009	486,188,255
4. Interest on Contributions Assuming Received Uniformly Throughout the Year to June 30, 2009	18,488,268
5. Disbursements from Trust Except Investment Expenses, July 1, 2008 through June 30, 2009	(677,764,427)
6. Interest on Disbursements Assuming Payments Made Uniformly throughout the Year to June 30, 2009	<u>(25,195,454)</u>
7. Expected Value of Assets at June 30, 2009 = (2) + (3) + (4) + (5) + (6)	\$ 11,538,631,381
8. Actual Market Value of Assets at June 30, 2009	8,323,312,801
9. Excess of (8) Over (7)	<u>\$ (3,215,318,580)</u>
10. Actuarial Value of Assets at June 30, 2009 = (7) + 33⅓% of (9)	\$ 10,466,858,521

**CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2009**

**SECTION II  
ASSETS**

**Actuarial Value of Assets**

The Actuarial Value of Assets represents a “smoothed” value developed by the actuary to reduce, or eliminate, volatile contribution rates which could develop from short-term fluctuations in the Market Value of Assets. For this Program, the Actuarial Value has been calculated by adding one-third of the difference between actual Market Value and Expected Value, to the Expected Value. The previous table illustrates the calculation of Actuarial Value of Assets for the June 30, 2009 valuation.

**Allocation of Actuarial Value of Assets**

The assets for all of the defined benefit plans in the programs administered by MainePERS are commingled for investment purposes. Other assets are in effect commingled in that their value is allocated among all of the programs. The actuarial smoothing methodology is applied on the market value of total assets. This produces an asset ratio which is then applied to the market value of assets attributable to each of the programs. The asset value derived in this valuation is 1.25754 (\$10,466,858,521 ÷ \$8,323,312,801). The allocation of actuarial value of assets to each of the System’s retirement programs is shown in the following chart.

<b>Allocation of Actuarial Value of Assets as of June 30, 2009</b>		
	<b>Market Value</b>	<b>Actuarial Value</b>
Teachers	\$ 4,286,109,335	\$ 5,389,933,203
State (Regular & Special)	2,936,018,033	2,334,740,307
Judges	38,550,289	48,478,344
Legislators	6,932,518	8,717,885
Participating Local Districts (Consolidated & Non-Consolidated)	<u>1,656,980,351</u>	<u>2,083,711,056</u>
<b>Total Fund</b>	<b>\$ 8,323,312,800</b>	<b>\$ 10,466,858,521</b>

**Investment Performance**

The Market Value of Assets returned negative 19.00% during FY 2009. This is significantly lower than the assumed return of 7.75%. The returns in FY 2008 and FY 2007 were negative 3.10% and positive 16.23% respectively.

On an actuarial value of assets basis, the return for FY 2009 was a negative 2.17%. This return is higher than the return on a market value basis, but does not meet the 7.75% assumption and therefore gives rise to an investment loss this year.

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2009

SECTION II  
ASSETS

<b>Projection of Plan's Benefit Payments and Contributions</b>				
<b>FY Ending June 30,</b>	<b>Expected Benefit Payments</b>	<b>Expected PLD Contributions (based on Corridor Method)</b>	<b>Expected Member Contributions</b>	<b>Total Expected Contributions</b>
2010	\$ 103,903,000	\$ 11,416,000	\$ 25,040,000	\$ 36,456,000
2011	111,766,000	15,945,000	26,229,000	42,174,000
2012	119,184,000	16,702,000	27,475,000	44,177,000
2013	126,524,000	17,495,000	28,780,000	46,275,000
2014	134,935,000	18,326,000	30,147,000	48,473,000
2015	143,484,000	20,109,000	31,579,000	51,688,000
2016	152,223,000	21,064,000	33,079,000	54,143,000
2017	160,629,000	22,064,000	34,650,000	56,714,000
2018	168,910,000	23,113,000	36,296,000	59,409,000
2019	177,342,000	24,210,000	38,020,000	62,230,000

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

The expected benefit payments were developed on the basis of those currently included in this valuation and on the assumption that the actuarial assumptions disclosed in Appendix D will be exactly met. Actual benefit payments will vary if members retire sooner or later than assumed and if salary increases and actual future post-retirement COLAs differ from those assumed. The

projections exclude any assumption about new hires, whose experience will eventually lead to increased benefit payments. However, we do not feel this exclusion will materially impact the projections for the time period shown.

Expected contributions are based on the current covered payroll and the frozen aggregate PLD contribution rate, of 3% in FY 2010 and 4% thereafter, of payroll. We have assumed that payroll will increase by 4.75% per year in the projection period and that the rate will remain constant.

The projection of member contributions is similarly based on a 4.75% per year increase in covered payroll multiplied by the average aggregate member contribution rate of 6.56%.

### SECTION III LIABILITIES

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

- **Disclosure** of Plan liabilities at June 30, 2008 and June 30, 2009; and
- Statement of **changes** in these liabilities during the year.

#### Disclosure

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

- **Present Value of Future Benefits (PVB):** Used for analyzing the overall financial outlook of the Plan, this represents the amount of money needed today to fully pay off all future benefits of the Plan, assuming participants continue to accrue benefits under the current Plan provisions.
- **Actuarial Liability:** Used for funding calculations and GASB disclosures, this liability is calculated taking the Present Value of Future Benefits above and subtracting the obligations that are assigned to future years. This offset is equal to the present value of future Member Contributions and future Employer Normal Costs under an acceptable actuarial funding method. This method is referred to as the **Entry Age Normal** funding method.
- **Present Value of Accrued Benefits:** Used for communicating the current level of liabilities, this liability represents the total amount of money needed today to fully pay off the current accrued obligations of the Plan, assuming no future accruals of benefits. These liabilities are also required for accounting purposes (FAS 35) and used to assess whether the Plan can meet its current benefit commitments.

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

The Present Value of Benefits (PVB) is compared to the current market value of assets, the expected future value of member contributions and the expected future value of PLD contributions assuming the valuation rate remains constant. The difference between the PVB and these anticipated resources indicates either a shortfall or an expected surplus that may develop over time. This surplus/shortfall indicates the ability of the reduced 3% aggregate contribution rate to fund benefits in the future.

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2009

**SECTION III  
LIABILITIES**

<b>Disclosure of Liabilities</b>		
	<b>June 30, 2008</b>	<b>June 30, 2009</b>
<b>Present Value of Benefits (PVB)</b>		
Active Participant Benefits	\$ 1,334,700,796	\$ 1,411,667,851
Retiree Benefits	940,944,705	990,063,171
Terminated Vested and Inactive Members	<u>49,968,302</u>	<u>49,502,900</u>
<b>Total PVB</b>	<b>\$ 2,325,613,803</b>	<b>\$ 2,451,233,922</b>
Market Value of Assets (MVA)	1,992,758,461	1,564,940,927
Future Employee Contributions	181,212,716	201,720,366
Future PLD Contributions at 3% Fixed Rate	82,551,373	91,746,628
Projected (Surplus)/Shortfall	<u>69,091,252</u>	<u>592,826,001</u>
<b>Total Resources</b>	<b>\$ 2,325,613,803</b>	<b>\$ 2,451,233,922</b>
<b>Actuarial Liability</b>		
Present Value of Benefits (PVB)	\$ 2,325,613,803	\$ 2,451,233,922
Present Value of Future Normal Costs (PVFNC)		
Employer Portion	230,524,772	249,253,847
Employee Portion	<u>181,212,716</u>	<u>201,720,366</u>
<b>Actuarial Liability (AL = PVB – PVFNC)</b>	<b>\$ 1,913,876,315</b>	<b>\$ 2,000,259,709</b>
Actuarial Value of Assets (AVA)	2,069,378,042	1,967,968,244
<b>Net (Surplus)/Unfunded (AL – AVA)</b>	<b>\$ (155,501,727)</b>	<b>\$ 32,291,465</b>
<b>Present Value of Accrued Benefits</b>		
Present Value of Benefits (PVB)	\$ 2,325,613,803	\$ 2,451,233,922
Present Value of Future Benefit Accruals (PVFBA)	<u>628,251,560</u>	<u>690,602,852</u>
<b>Accrued Liability (PVAB = PVB – PVFBA)</b>	<b>\$ 1,697,362,243</b>	<b>\$ 1,760,631,070</b>
Market Value of Assets (MVA)	1,992,758,461	1,564,940,927
<b>Net (Surplus)/Unfunded (PVAB – MVA)</b>	<b>\$ (295,396,218)</b>	<b>\$ 195,690,143</b>

**SECTION III  
LIABILITIES**

**Changes in Liabilities**

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

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

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

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

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

	<b>Present Value of Benefits</b>	<b>Actuarial Liability</b>	<b>Present Value of Accrued Benefits</b>
Liabilities 06/30/2008	\$ 2,325,613,803	\$ 1,913,876,315	\$ 1,697,362,243
Liabilities 06/30/2009	<u>2,451,233,922</u>	<u>2,000,259,709</u>	<u>1,760,631,070</u>
Liability Increase (Decrease)	\$ 125,620,119	\$ 86,383,394	\$ 63,268,827
Change Due to:			
Plan Amendment	\$ --	\$ --	\$ --
Assumption Change	(9,977,171)	(27,744,658)	(41,482,026)
Actuarial (Gain)/Loss	N/C	14,959,821	N/C
Benefits Accumulated and Other Sources	\$ 135,597,290	\$ 99,168,231	\$ 104,750,853

## SECTION IV CONTRIBUTIONS

### General Comments

Under established procedures, employer contribution rates based on this June 30, 2009 actuarial valuation are used to determine Fiscal Year 2011 contributions. In this context, the term “employer contribution rate” means the percentage that is applied by each PLD to its active member payroll to determine the PLD’s actual employer contribution amount.

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

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

### Description of Rate Components

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

#### Normal Cost Rate

For each of the Regular and Special Plans in the Consolidated Plan, an individual entry age normal cost rate is determined for a typical new entrant. The normal cost is determined by the following steps. First, an individual normal cost rate is determined

by taking the value, as of entry age into a plan, of a representative new entrant’s projected future benefits. Second, this value is then divided by the value, also at entry age, of the member’s expected future salary. Finally, the rate is reduced by the member contribution rate to produce the employer normal contribution rate.

#### Pooled Unfunded Actuarial Liability Rate

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

#### IUUAL Payments/(Credits)

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

## SECTION IV CONTRIBUTIONS

Consolidated Plan. Credit transactions, also of specific dollar amounts, are accomplished by MainePERS accounting entries.

### **Employer Contribution Rate Summary**

In Table IV-2, we present employer contribution rates applicable for determining the Fiscal Year 2011 contributions to the Plan, using the cost methods described above. These were developed using the actuarial assumptions and methods described in Appendix D.

### **New Entrant/Re-Entrant Rate**

While the above description of the employer rate components and calculation applies to all PLDs' rates, there is an additional rate-calculation step for PLDs that join the Consolidated Plan after the three-year "window period" that was in place at the outset of the Plan and for PLDs that rejoin the Plan, having previously withdrawn from it.

An entity that becomes a PLD, having not before been one, and joins the Consolidated Plan (as all such new PLDs must) is required to pay a new entrant rate to the Plan, as is a PLD that existed when the Plan was established but did not then join the Plan (a so-called "withdrawn" PLD), and thereafter does so. The new entrant rate is calculated as the difference between the Normal Cost and the Total Rate. The Normal Cost and the Total Rate are those in effect at the time the PLD enters the Plan, for the plan or plans that the PLD adopts. The new entrant rate must be paid for a period of three years, after which the PLD henceforth pays the then-applicable Total Rate.

A PLD that joined the Consolidated Plan, subsequently becomes a "withdrawn" PLD, and later rejoins the Plan may be required to

pay a "new" entrant rate (more properly called a re-entrant rate in these circumstances). The rate is calculated as stated above and is in effect for the rejoining PLD for the difference between the number of years that the PLD previously participated in the Consolidated Plan prior to withdrawal and three years. At the end of the established period, the PLD henceforth pays the then-applicable Total Rate.

The new entrant/re-entrant rate takes into account the fact that in the first three years of the Consolidated Plan's existence, then-existing PLDs who joined the Plan paid a Normal Cost rate that could only be an estimated rate until the population of Plan participants at the end of the three-year period was established. The population having been established, the Normal Cost rate could actuarially be calculated. The actuarial Normal Cost rate proved to be lower than the estimated rate, which meant that those PLDs had made higher employer contributions than necessary during the three-year period, thereby increasing the Plan's assets. Later-joining PLDs benefit in terms of the employer contribution rate from the higher Plan assets that resulted from the earlier joining PLDs' larger than necessary contributions. The new entrant/re-entrant rate is intended to create equivalence, if not perfect equality, among all PLDs as to the degree to which they participate in building Plan assets.

The new entrant/re-entrant rate is in addition to any IUUAL payment required from the PLD.



CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2009

SECTION IV  
CONTRIBUTIONS

**Table IV-1**  
**Consolidated Plan for Participating Local Districts**  
**of the Maine Public Employees Retirement System**  
**June 30, 2009**

	<b>Development of Pooled UAL Rate</b>		
	<b>Regular Plans</b>	<b>Special Plans</b>	<b>Total</b>
1. Present Value of Benefits	\$ 1,464,379,747	\$ 986,854,175	\$ 2,451,233,922
2. Present Value of Future Contributions			
a. Employer Normal Cost	145,408,304	103,845,543	249,253,847
b. Employee Contributions	<u>130,863,035</u>	<u>70,857,331</u>	<u>201,720,366</u>
3. Actuarial Accrued Liability (1) – (2)	\$ 1,188,108,408	\$ 812,151,301	\$ 2,000,259,709
4. Actuarial Value of Assets			
a. Total Invested Assets	\$ 1,215,027,847	\$ 829,130,916	\$ 2,044,158,763
b. IUUAL Surpluses in Individual PLD Accounts	<u>46,091,776</u>	<u>30,098,743</u>	<u>76,190,519</u>
c. Valuation Assets (a) – (b)	\$ 1,168,936,071	\$ 799,032,173	\$ 1,967,968,244
5. Unfunded Actuarial Accrued Liability			
a. Total Unfunded Liability (3) – (4c)	\$ 19,172,337	\$ 13,119,128	\$ 32,291,465
b. Individual PLD Unpooled Liability (IUUAL)	<u>7,034,026</u>	<u>4,156,976</u>	<u>11,191,002</u>
c. Pooled Unfunded Actuarial Liability (a) – (b)	\$ 12,138,311	\$ 8,962,152	\$ 21,100,463
6. Amortization over 15 Years	\$ 1,396,540	\$ 1,031,116	\$ 2,427,656
7. Payroll	\$ 262,910,242	\$ 117,630,893	\$ 380,541,135
8. Pooled Unfunded Actuarial Liability Contribution Rate	0.5%	0.9%	0.6%

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2009

SECTION IV  
CONTRIBUTIONS

**Table IV-2**  
**Consolidated Plan for Participating Local Districts**  
**of the Maine Public Employees Retirement System**  
**Employer Contribution Rates\***  
**Fiscal Year 2011**

	Normal Cost**	Regular Plans	Special Plans	Total Rates
<b><u>Plans with COLA</u></b>				
Regular Employees Plan AC	7.5%	(4.0)%		3.5%
Regular Employees Plan BC	5.1%	(3.0)%		2.1%
Special Plan 1C	16.3%		(8.2)%	8.1%
Special Plan 2C	9.3%		(4.3)%	5.0%
Special Plan 3C	12.1%		(5.5)%	6.6%
Special Plan 4C	7.5%		(3.1)%	4.4%
<b><u>Plans with No COLA</u></b>				
Regular Employees Plan AN	3.7%	(1.8)%		1.9%
Special Plan 1N	9.0%		(4.5)%	4.5%
Special Plan 2N	4.7%		(2.1)%	2.6%
Special Plan 3N	6.3%		(2.7)%	3.6%
Special Plan 4N	3.4%		(1.0)%	2.4%

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

\*\* Includes costs of ancillary benefits.

SECTION V  
ACCOUNTING STATEMENT INFORMATION

Statement No. 35 of the Financial Accounting Standards Board (FASB) requires the Plan to disclose certain information regarding its funded status. Statement No. 25 of the Governmental Accounting Standards Board (GASB) establishes standards for disclosure of pension information by public employee retirement systems (PERS) and governmental employers in notes to financial statements and supplementary information.

The FASB-35 disclosures provide a quasi “snap shot” view of how the Plan’s assets compare to its liabilities if contributions stopped and accrued benefit claims had to be satisfied. However, due to potential legal requirements and the possibility that alternative interest rates would have to be used to determine the liabilities, these values may not be a good indication of the amount of money it would take to buy the benefits for all members if the Plan were to terminate.

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

Both the present value of accrued benefits (FASB-35) and the actuarial accrued liability (GASB-25) are determined assuming that the Plan is ongoing and participants continue to terminate employment, retire, etc., in accordance with the actuarial assumptions. Liabilities are discounted at the assumed valuation interest rate of 7.75% per annum.

FASB Statement No. 35 specifies that a comparison of the present value of accrued (accumulated) benefits with the market value of the assets as of the valuation date must be provided. GASB Statement No. 25 requires the actuarial accrued liability be compared with the actuarial value of assets for funding purposes. The relevant amounts as of June 30, 2008 and June 30, 2009 are exhibited in Table V-1. Table V-2 reconciles the FASB-35

liabilities determined as of the prior valuation June 30, 2008, to the liabilities as of June 30, 2009.

Tables V-3 through V-5 are exhibits required for the System’s Comprehensive Annual Financial Report. The GFOA recommends showing 6-10 years of experience in each of these exhibits. This report will continue to add years of experience to the charts and eventually build up to the recommended disclosure. Table V-3 shows the Notes to Required Supplementary Information. Table V-4 is a history of gains and losses in Accrued Liability, and Table V-5 is the Solvency Test which shows the portion of Accrued Liability covered by Assets.

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2009

SECTION V  
ACCOUNTING STATEMENT INFORMATION

<b>Table V-1</b>		
<b>Accounting Statement Information</b>		
	<b>June 30, 2008</b>	<b>June 30, 2009</b>
<b>A. FASB No. 35 Basis</b>		
1. Present Value of Benefits Accrued to Date		
a. Members Currently Receiving Payments	\$ 940,944,705	\$ 990,063,171
b. Vested Terminated and Inactive Members	49,968,302	49,502,900
c. Active Members	<u>706,449,236</u>	<u>721,064,999</u>
d. Total PVAB	\$ 1,697,362,243	\$ 1,760,631,070
2. Assets at Market Value	<u>1,992,758,461</u>	<u>1,564,940,927</u>
3. Unfunded Present Value of Accrued Benefits, But Not Less Than Zero	\$ 0	\$ 195,690,143
4. Ratio of Assets to Value of Benefits (2) / (1)(d)	117%	89%
<b>B. GASB No. 25 Basis</b>		
1. Actuarial Liabilities		
a. Members Currently Receiving Payments	\$ 940,944,705	\$ 990,063,171
b. Vested Deferred and Inactive Status Members	49,968,302	49,502,900
c. Active Members	<u>922,963,308</u>	<u>960,693,638</u>
d. Total	\$ 1,913,876,315	\$ 2,000,259,709
2. Actuarial Value of Assets	<u>2,069,378,042</u>	<u>1,967,968,244</u>
3. Unfunded Actuarial Liability	\$ (155,501,727)	\$ 32,291,465
4. Ratio of Actuarial Value of Assets to Actuarial Liability	108%	98%

**CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2009**

**SECTION V  
ACCOUNTING STATEMENT INFORMATION**

<b>Table V-2 Statement of Changes in Total Actuarial Present Value of All Accrued Benefits</b>	
	<b>Accumulated Benefit Obligation (FASB 35)</b>
Actuarial Present Value of Accrued Benefits as of June 30, 2008	\$ 1,697,362,243
Increase (Decrease) During Years Attributable to:	
Passage of Time	128,032,576
Benefit Paid – FY 2009	(101,093,462)
Assumption Change	(41,482,026)
Plan Amendment	0
Benefits Accrued, Other Gains/Losses	<u>77,811,739</u>
Net Increase (Decrease)	63,268,827
Actuarial Present Value of Accrued Benefits as of June 30, 2009	\$ 1,760,631,070

SECTION V  
ACCOUNTING STATEMENT INFORMATION

**Table V-3**  
**NOTE TO REQUIRED SUPPLEMENTARY INFORMATION**

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

Valuation date	June 30, 2009
Actuarial cost method	Entry age
Amortization method	Level percent open
Remaining amortization period	15 years
Asset valuation method	3-Year smoothed market
Actuarial assumptions:	
Investment rate of return*	7.75%
Projected salary increases*	4.50% – 9.00%
*Includes inflation at	4.50%
Cost-of-living adjustments	3.75%

The actuarial assumptions used have been recommended by the actuary and adopted by the Plan's Board of Trustees based on the most recent review of the Plan's experience, completed in 2008.

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

**CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2009**

**SECTION V  
ACCOUNTING STATEMENT INFORMATION**

**Table V-4  
ANALYSIS OF FINANCIAL EXPERIENCE  
Gain and Loss in Accrued Liability During Years Ended June 30  
Resulting from Differences Between Assumed Experience and Actual Experience**

<b>Type of Activity</b>	<i>Gain (or Loss) for Year ending June 30, 2005</i>	<i>Gain (or Loss) for Year ending June 30, 2006</i>	<i>Gain (or Loss) for Year ending June 30, 2007</i>	<i>Gain (or Loss) for Year ending June 30, 2008</i>	<i>Gain (or Loss) for Year ending June 30, 2009</i>
Investment Income	\$ 6,722,639	\$ 0	\$ 55,166,394	\$ (34,263,890)	\$ (201,290,399)
Combined Liability Experience	<u>(3,406,292)</u>	<u>\$ 18,317,866</u>	<u>(20,024,675)</u>	<u>24,408,739</u>	<u>\$ (14,959,821)</u>
Gain (or Loss) During Year from Financial Experience	\$ 3,316,347	\$ 18,317,866	\$ 35,141,719	\$ (9,855,151)	\$ (216,250,219)
Non-Recurring Items	<u>0</u>	<u>(61,699,141)</u>	<u>(898,782)</u>	<u>0</u>	<u>27,744,658</u>
Composite Gain (or Loss) During Year	<b>\$ 3,316,347</b>	<b>\$ (43,381,275)</b>	<b>\$ (34,242,937)</b>	<b>\$ (9,855,151)</b>	<b>\$ (188,505,561)</b>

**CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2009**

**SECTION V  
ACCOUNTING STATEMENT INFORMATION**

**Table V-5  
SOLVENCY TEST  
Aggregate Accrued Liabilities For**

Valuation Date June 30,	(1) Active Member Contributions	(2) Retirees Vested Terms, Beneficiaries	(3) Active Members (Employer Financed Portion)	Reported Assets	Portion of Accrued Liabilities Covered by Reported Assets		
					(1)	(2)	(3)
2009	\$ 319,531,110	\$ 1,039,566,071	\$ 641,162,528	\$ 1,967,968,244	100%	100%	95%
2008	294,627,592	990,913,007	628,335,716	2,069,378,042	100	100	125
2007	270,986,236	938,899,387	629,089,299	2,001,713,785	100	100	126
2006	239,876,523	884,015,065	596,238,152	1,846,304,483	100	100	121
2005	217,657,321	820,316,284	543,224,512	1,726,776,134	100	100	127
2004	195,013,387	772,474,507	524,178,904	1,633,016,411	100	100	127



CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2009

**APPENDIX A  
PARTICIPATING LOCAL DISTRICT PLAN ELECTIONS**

PLD Name	PLD #	Regular Plan	Special Plan	Special Plan	COLA	Entry Date	FO COLA Date
Androscoggin County	0067	A <sup>1</sup>	1	2	Yes	7/1/1994	
Androscoggin Valley Council of Governments	0231	A			Yes	7/1/1996	
Aroostook County	0106	A			Yes	7/1/1994	
Auburn Housing Authority	0145	A			Yes	7/1/1994	
Auburn Lewiston Airport	0256	A			Yes	7/1/1996	
Auburn Public Library	0043	A			FO	7/1/1996	7/1/2001
Auburn Water and Sewer District	0052	A			Yes	7/1/1994	
Augusta, City of	0023	A	1	2	Yes	7/1/1994	
Baileyville, Town of	0069	A	3		Yes	7/1/1996	
Bangor Housing Authority	0288	A			Yes	7/1/1994	
Bangor Public Library	022	A			Yes	7/1/1996	
Bangor Water District	0059	B <sup>2</sup>			Yes	7/1/1996	
Bangor, City of	0020	A	1	2	Yes	7/1/1996	
Bar Harbor, Town of	0015	A	4		Yes	7/1/1995	

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2009

**APPENDIX A  
PARTICIPATING LOCAL DISTRICT PLAN ELECTIONS**

PLD Name	PLD #	Regular Plan	Special Plan	Special Plan	COLA	Entry Date	FO COLA Date
Bath Water District	0019	A			Yes	7/1/1994	
Bath, City of	0073	A	2	3	Yes	7/1/1996	
Belfast Water District	0132	A			Yes	7/1/1995	
Belfast, City of	0035	A	2		Yes	7/1/1996	
Berwick Sewer District	0207	A			Yes	7/1/1994	
Berwick, Town of	0108	A	1 <sup>3</sup>		FO	7/1/1996	7/1/2008
Bethel, Town of	0246	A			Yes	7/1/1996	
Biddeford, City of	0158	A	3 <sup>4</sup>		No	7/1/1996	
Biddeford Housing Authority	0310	A			Yes	7/1/2007	
Boothbay Harbor, Town of	0146	A	2		Yes	7/1/1996	
Boothbay Region Water District	0298	A	2		Yes	1/1/2002	
Bowdoinham Water District	0319	A			Yes	1/1/2009	
Brewer Housing Authority	0248	A			Yes	7/1/1994	
Brewer, City of	0063	A <sup>5</sup>	2		Yes	7/1/1996	

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2009

**APPENDIX A  
PARTICIPATING LOCAL DISTRICT PLAN ELECTIONS**

PLD Name	PLD #	Regular Plan	Special Plan	Special Plan	COLA	Entry Date	FO COLA Date
Bridgton Water District	0253	A			No	7/1/1996	
Brunswick Fire and Police	0292	A	1 <sup>6</sup>	3 <sup>6</sup>	FO	7/1/1997	7/1/1997
Brunswick Public Library	0273	A			FO	7/1/1995	7/1/1995
Brunswick Sewer District	0072	A			Yes	7/1/1996	
Brunswick, Town of	0042	A			FO	7/1/1995	7/1/2000
Bucksport, Town of	0130	A	4 <sup>7</sup>		No	7/1/1995	
Calais, City of	0036	A			FO	7/1/1996	7/1/1996
Camden, Town of	0008	A			Yes	7/1/1994	
Cape Elizabeth Police	0317	A	2		Yes	7/1/2008	
Caribou Police and Fire	0208	A	1	2	No	7/1/1996	
Carrabassett Valley	0277	A			FO	7/1/1994	7/1/1994
Chesterville, Town of	0295	A <sup>8</sup>			Yes	7/1/1999	
Cheverus High School	0203	A	2		No	7/1/1996	
China, Town of	0235	A			FO	7/1/1996	7/1/2008

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2009

**APPENDIX A  
PARTICIPATING LOCAL DISTRICT PLAN ELECTIONS**

PLD Name	PLD #	Regular Plan	Special Plan	Special Plan	COLA	Entry Date	FO COLA Date
Coastal Counties Workforce, Inc.	0301	A <sup>9</sup>			Yes	7/1/2003	
Community School District #12	0252	A			Yes	7/1/1996	
Corinna Sewer District	0251	A			No	7/1/1996	
Corinna, Town of	0217	A			Yes	7/1/1996	
Cumberland County	0005	A	2 <sup>10</sup>		Yes	7/1/1996	
Cumberland, Town of	0216	A	2		Yes	7/1/1995	
Dexter, Town of	0097	A			Yes	7/1/1996	
Dover - Foxcroft Water District	0137	A			Yes	7/1/1994	
Dover Foxcroft, Town of	0167	A			No	7/1/1995	
Durham, Town of	0234	A			No	7/1/1996	
Eagle Lake Water & Sewer District	0274	A			Yes	7/1/1996	
East Millinocket, Town of	0054	A	2		Yes	7/1/1996	
Easton, Town of	0240	A			Yes	7/1/1994	
Eliot, Town of	0180	A	1 <sup>11</sup>		Yes	7/1/1994	

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2009

**APPENDIX A  
PARTICIPATING LOCAL DISTRICT PLAN ELECTIONS**

PLD Name	PLD #	Regular Plan	Special Plan	Special Plan	COLA	Entry Date	FO COLA Date
Ellsworth, City of	0013	A	4		Yes	7/1/1995	
Erskine Academy	0249	A			No	7/1/1994	
Fairfield, Town of	0260	A	3		Yes	7/1/1995	
Falmouth Memorial Library	0058	A			Yes	7/1/1996	
Falmouth, Town of	0087	A	2 <sup>11</sup>		Yes	7/1/1996	
Farmington Village Corp.	0118	A			No	7/1/1994	
Farmington, Town of	0100	A	1		Yes	7/1/1995	
Fayette, Town of	0296	A			Yes	7/1/1999	
Fort Fairfield Housing Authority	0275	A			FO	7/1/2002	7/1/1994
Fort Fairfield Utilities District	0131	A			Yes	7/1/1996	
Fort Fairfield, Town of	0017	A			Yes	7/1/2000	
Franklin County	0102	A			Yes	7/1/2006	
Freeport, Town of	0142	A	2 <sup>9</sup>		Yes	7/1/2003	
Frenchville, Town of	0098	A			No	7/1/1996	

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2009

**APPENDIX A  
PARTICIPATING LOCAL DISTRICT PLAN ELECTIONS**

PLD Name	PLD #	Regular Plan	Special Plan	Special Plan	COLA	Entry Date	FO COLA Date
Fryeburg, Town of	0149	A			No	7/1/1996	
Gardiner Water District	0221	A			No	7/1/1994	
Gardiner, City of	0024	A	3		FO	7/1/1996	7/1/2009
Glenburn, Town of	0174	A			Yes	7/1/1994	
Gorham Fire and Police	0334	A	3		Yes	7/1/2009	
Gorham, Town of	0133	A			Yes	7/1/1996	
Gould Academy	0205	A			No	7/1/1996	
Grand Isle, Town of	0312	B			Yes	7/1/2008	
Greater Augusta Utility District <sup>12</sup>	0311	A			Yes	1/1/2008	
Greenville, Town of	0112	A			Yes	7/1/1996	
Hallowell, City of	0160	A			Yes	7/1/1996	
Hampden Water District	0183	A			Yes	7/1/1996	
Hampden, Town of	0151	A	3 <sup>13</sup>		FO	7/1/1996	7/1/2009
Hancock County	0056	A			Yes	7/1/1994	

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2009

**APPENDIX A  
PARTICIPATING LOCAL DISTRICT PLAN ELECTIONS**

PLD Name	PLD #	Regular Plan	Special Plan	Special Plan	COLA	Entry Date	FO COLA Date
Harpwell, Town of	0270	A			Yes	7/1/1994	
Harrison, Town of	0280	B <sup>14</sup>			Yes	7/1/1994	
Hermon, Town of	0150	A			No	7/1/1996	
Hodgdon, Town of	0215	A			FO	7/1/1996	7/1/2007
Houlton Water District	0026	A			Yes	7/1/1995	
Houlton, Town of	0010	A	4 <sup>7</sup>		Yes	7/1/1996	
Indian Township Tribal Gov't <sup>15</sup>	0244	A			No	7/1/1996	
Jackman Utility District	0294	A			Yes	7/1/1996	
Jay, Town of	0045	A			Yes	7/1/1994	
Kennebec County	0047	A			Yes	7/1/1995	
Kennebec Sanitary Treatment District	0220	A			FO	7/1/1995	7/1/1995
Kennebec Water District	0031	A			Yes	7/1/1996	
Kennebunk Light and Power Co.	0062	A			Yes	7/1/1994	
Kennebunk Sewer District	0201	A			FO	7/1/1994	7/1/2000

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2009

**APPENDIX A  
PARTICIPATING LOCAL DISTRICT PLAN ELECTIONS**

PLD Name	PLD #	Regular Plan	Special Plan	Special Plan	COLA	Entry Date	FO COLA Date
Kennebunk, Kennebunkport & Wells Water District	0255	A			FO	7/1/1996	7/1/1999
Kennebunk, Town of	0084	A	2 <sup>16</sup>		Yes	7/1/1996	
Kennebunkport, Town of	0188	A	1		FO	7/1/1996	7/1/2006
Kittery Water District	0012	A			Yes	7/1/1994	
Kittery, Town of	0014	A	1 <sup>17</sup>		Yes	7/1/1995	
Lebanon, Town of	0181	A			Yes	7/1/1996	
Lew Aub Water Pollution Control Authority	0163	A			FO	7/1/1996	7/1/1996
Lewiston - Auburn 9-1-1	0291	A			Yes	7/1/1994	
Lewiston Housing Authority	0154	A			Yes	7/1/1994	
Lewiston, City of	0048	A	1	2	Yes	7/1/1996	
Limestone, Town of	0245	A			Yes	7/1/2006	
Lincoln & Sagadahoc Multi County Jail Authority	0304	A	2		Yes	7/1/2004	
Lincoln Academy	0134	A			Yes	7/1/1994	
Lincoln County	0095	A			Yes	7/1/2004	



CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2009

**APPENDIX A  
PARTICIPATING LOCAL DISTRICT PLAN ELECTIONS**

PLD Name	PLD #	Regular Plan	Special Plan	Special Plan	COLA	Entry Date	FO COLA Date
Lincoln County Sheriffs	0302	A	2 <sup>9</sup>		Yes	7/1/2003	
Lincoln Sanitary District	0219	A			Yes	7/1/1994	
Lincoln Water District	0092	A			Yes	7/1/1995	
Lincoln, Town of	0076	A	3		No	7/1/1996	
Linneus, Town of	0214	A			No	7/1/1996	
Lisbon Water Department	0243	A			FO	7/1/1996	7/1/2007
Lisbon, Town of	0103	A	2		Yes	7/1/1996	
Livermore Falls Water District	0032	A			Yes	7/1/1994	
Livermore Falls, Town of	0109	A			No	7/1/1996	
Lovell, Town of	0276	A			Yes	7/1/1996	
Lubec Water and Electric District	0088	A			Yes	7/1/1996	
Lubec, Town of	0228	A			No	7/1/1996	
Madawaska Water District	0236	A			Yes	7/1/1994	
Madawaska, Town of	0082	A			Yes	7/1/1996	

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2009

**APPENDIX A  
PARTICIPATING LOCAL DISTRICT PLAN ELECTIONS**

PLD Name	PLD #	Regular Plan	Special Plan	Special Plan	COLA	Entry Date	FO COLA Date
MADSEC	0297	A			Yes	7/1/1999	
Maine County Commissioners Assoc.	0225	A			No	7/1/1996	
Maine International Trade Center	0293	A			Yes	7/1/1998	
Maine Maritime Academy	0038	A	2		Yes	7/1/1996	
Maine Municipal Association	0055	A			Yes	7/1/2009	
Maine Municipal Bond Bank	0093	A			Yes	7/1/1995	
Maine Public Employees Retirement System	0290	A			Yes	7/1/1994	
Maine School Management Association	0239	A			Yes	7/1/1994	
Maine State Housing Authority	0169	A			Yes	7/1/2005	
Maine Turnpike Authority	0049	A			Yes	7/1/1994	
Maine Veterans Home	0271	A			Yes	7/1/1994	
Mapleton, Castle Hill and Chapman, Town of	0265	A			Yes	7/1/1996	
Mars Hill Utility District	0283	A			Yes	7/1/1994	
Mars Hill, Town of	0227	A			Yes	7/1/1996	

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2009

**APPENDIX A  
PARTICIPATING LOCAL DISTRICT PLAN ELECTIONS**

PLD Name	PLD #	Regular Plan	Special Plan	Special Plan	COLA	Entry Date	FO COLA Date
ME Secondary School Principals Association	0105	A			Yes	7/1/1994	
Mechanic Falls Sanitary District	0282	A			FO	7/1/1994	7/1/2002
Mechanic Falls, Town of	0114	A			Yes	7/1/1994	
Medway, Town of	0194	A			Yes	7/1/1996	
Mexico, Town of	0074	A <sup>18</sup>			Yes	7/1/1996	
Milford, Town of	0186	A			No	7/1/1996	
Millinocket, Town of	0003	A	3	4	Yes	7/1/1996	
Milo Water District	0238	A			No	7/1/1996	
Monmouth, Town of	0316	A	3		Yes	7/1/2008	
Monson, Town of	0184	A			No	7/1/1996	
Mount Desert Island Reg. School District	0120	A			Yes	7/1/1996	
Mount Desert Water District	0300	A <sup>9</sup>			Yes	7/1/2003	
Mount Desert, Town of	0016	A			Yes	7/1/1996	
New Gloucester, Town of	0210	A			FO	7/1/1995	7/1/2007

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2009

**APPENDIX A  
PARTICIPATING LOCAL DISTRICT PLAN ELECTIONS**

PLD Name	PLD #	Regular Plan	Special Plan	Special Plan	COLA	Entry Date	FO COLA Date
Newport, Town of	0314	A	2		Yes	7/1/2008	
Newport Water District	0313	A			Yes	7/1/2008	
North Berwick, Town of	0254	A	1		No	7/1/1996	
North Berwick Water District	0308	A			Yes	7/1/2006	
Norway Water District	0136	A			FO	7/1/1995	7/1/2000
Norway, Town of	0125	A			FO	7/1/1996	7/1/2000
Old Orchard Beach, Town of	0140	A	2	3 / 1 <sup>19</sup>	Yes	7/1/2003	
Old Town Housing Authority	0262	A			FO	7/1/1994	7/1/1994
Old Town Water District	0079	A			No	7/1/1994	
Old Town, City of	0111	A	2		No	7/1/1995	
Oqunquit, Town of	0303	A	1		Yes	7/1/2004	
Orland, Town of	0166	A			No	7/1/1996	
Orono, Town of	0061	A	2 <sup>20</sup>		FO	7/1/1996	7/1/2002
Orrington, Town of	0209	A	3		No	7/1/1995	

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2009

**APPENDIX A  
PARTICIPATING LOCAL DISTRICT PLAN ELECTIONS**

PLD Name	PLD #	Regular Plan	Special Plan	Special Plan	COLA	Entry Date	FO COLA Date
Otisfield, Town of	0193	A			FO	7/1/1996	7/1/1996
Oxford County	0057	A	2 <sup>4</sup>		Yes	7/1/1994	
Oxford, Town of	0200	A			No	7/1/1996	
Paris Utility District	0159	A			Yes	7/1/1995	
Paris, Town of	0127	A			Yes	7/1/1996	
Penobscot County	0011	A			Yes	7/1/1994	
Penquis Cap Inc	0237	A			No	7/1/1995	
Phippsburg, Town of	0202	A	3 <sup>21</sup>		Yes	7/1/1996	
Piscataquis County	0121	A			Yes	7/1/1994	
Pittsfield, Town of	0110	A			No	7/1/1996	
Pleasant Point Passamaquoddy	0165	A			Yes	7/1/1996	
Portland Housing Authority	0185	A			Yes	7/1/1994	
Portland Public Library	0041	A			Yes	7/1/1995	
Portland, City of	0002	A	1	2	Yes	7/1/1995	

**CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2009**

**APPENDIX A  
PARTICIPATING LOCAL DISTRICT PLAN ELECTIONS**

<b>PLD Name</b>	<b>PLD #</b>	<b>Regular Plan</b>	<b>Special Plan</b>	<b>Special Plan</b>	<b>COLA</b>	<b>Entry Date</b>	<b>FO COLA Date</b>
Princeton, Town of	0258	A			No	7/1/1996	
Regional School Unit #1	0315	A	2		Yes	7/1/2008	
Regional School Unit #2	0323	A			FO	7/1/2009	7/1/2009
Regional School Unit #4	0324	A			Yes	7/1/2009	
Regional School Unit #5	0325	A			Yes	7/1/2009	
Regional School Unit #10	0326	A			Yes	7/1/2009	
Regional School Unit #16	0327	A			Yes	7/1/2009	
Regional School Unit #20	0328	A			Yes	7/1/2009	
Regional School Unit #21	0322	A			FO	7/1/2009	7/1/2009
Regional School Unit #23	0329	A			Yes	7/1/2009	
Regional School Unit #24	0320	A			Yes	7/1/2009	
Regional School Unit #25	0321	A			No	7/1/2009	
Regional School Unit #26	0330	A			Yes	7/1/2009	
Regional School Unit #34	0331	A			No	7/1/2009	

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2009

**APPENDIX A  
PARTICIPATING LOCAL DISTRICT PLAN ELECTIONS**

PLD Name	PLD #	Regular Plan	Special Plan	Special Plan	COLA	Entry Date	FO COLA Date
Regional School Unit #39	0332	A			Yes	7/1/2009	
Richmond, Town of	0213	A			Yes	7/1/2007	
Richmond Utilities District	0242	A			No	7/1/1994	
Rockland, City of	0018	A	3 <sup>22</sup>	2 <sup>23</sup>	Yes	7/1/1995	
Rockport, Town of	0161	A			No	7/1/1996	
Rumford Fire and Police	0060	A	3	4	Yes	7/1/1995	
Rumford Mexico Sewerage District	0247	A			Yes	7/1/1996	
Rumford Water District	0065	A			Yes	7/1/1995	
Rumford, Town of	0090	A			Yes	7/1/1995	
Sabattus, Town of	0175	A			FO	7/1/1996	7/1/2006
Saco, City of	0192	A	2		No	7/1/1995	
Sagadahoc County	0096	A	2	3 <sup>24</sup>	Yes	7/1/2002	
Sanford Housing Authority	0152	A			Yes	7/1/1996	
Sanford Sewerage District	0089	A			FO	7/1/1994	1/1/2009

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2009

**APPENDIX A  
PARTICIPATING LOCAL DISTRICT PLAN ELECTIONS**

PLD Name	PLD #	Regular Plan	Special Plan	Special Plan	COLA	Entry Date	FO COLA Date
Sanford Water District	0170	A			Yes	7/1/1996	7/1/2009
Sanford, Town of	0083	A	1 <sup>25</sup>		FO	7/1/1995	7/1/2002
Scarborough, Town of	0147	A	2	1 <sup>26</sup>	Yes	7/1/1996	
School Administrative District No. 9	0119	A			Yes	7/1/1995	
School Administrative District No. 13	0223	A			Yes	7/1/1996	
School Administrative District No. 29	0168	A			Yes	7/1/1996	
School Administrative District No. 31	0050	A			FO	7/1/1994	7/1/1994
School Administrative District No. 41	0143	A			Yes	7/1/1996	
School Administrative District No. 49	0189	A			No	7/1/1995	
School Administrative District No. 51	0198	A			No	7/1/1996	
School Administrative District No. 53	0129	A			No	7/1/1996	
School Administrative District No. 54	0115	A			Yes	7/1/1996	
School Administrative District No. 60	0187	A			No	7/1/1994	
School Administrative District No. 67	126	A			Yes	7/1/1996	



CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2009

**APPENDIX A  
PARTICIPATING LOCAL DISTRICT PLAN ELECTIONS**

PLD Name	PLD #	Regular Plan	Special Plan	Special Plan	COLA	Entry Date	FO COLA Date
Searsport Water District	0124	A			No	7/1/1996	
Searsport, Town of	0117	A			No	7/1/1996	
Skowhegan, Town of	0080	A	3		Yes	7/1/1996	
So Portland Housing Authority	0206	A			Yes	7/1/1996	
Somerset County	0101	A			Yes	7/1/2005	
South Berwick Sewer District	0299	A <sup>9</sup>			Yes	7/1/2003	
South Berwick Water	0171	A	2		Yes	7/1/1996	
South Berwick, Town of	0141	A	1		FO	7/1/1996	7/1/1996
South Portland, City of	0009	A	2	3 <sup>27</sup>	Yes	7/1/1995	
St. Agatha, Town of	0030	A			Yes	7/1/1996	
Thompson Free Library	0318	A			Yes	1/1/2009	
Topsham Sewer District	0307	A <sup>28</sup>			Yes	7/1/2005	
Topsham, Town of	0081	A	2	3	Yes	7/1/1996	
Tri Community Sanitary Landfill	0267	A			Yes	7/1/1996	

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2009

**APPENDIX A  
PARTICIPATING LOCAL DISTRICT PLAN ELECTIONS**

PLD Name	PLD #	Regular Plan	Special Plan	Special Plan	COLA	Entry Date	FO COLA Date
United Technologies Center, Region 4, S. Penobscot	0269	A			FO	7/1/1996	7/1/2009
Van Buren Housing Authority	0229	A			Yes	7/1/1995	
Van Buren, Town of	0182	A			Yes	7/1/1995	
Vassalboro, Town of	0153	A			Yes	7/1/1996	
Veazie Fire and Police	0305	A	3 <sup>29</sup>		Yes	7/1/2004	
Waldo County	0046	A	2		Yes	7/1/1994	
Waldo County Technical Center	0224	A			No	7/1/1996	
Waldoboro, Town of	0195	A	3		Yes	7/1/1995	
Washburn, Town of	0230	A			No	7/1/1994	
Washburn Water and Sewer District	0335	A			No	7/1/2009	
Washington County	0040	A			Yes	7/1/1996	
Waterville Fire and Police	0066	A	3		No	7/1/1996	
Waterville Sewerage District	0222	A			Yes	7/1/1994	
Wells Ogunquit CSD	0266	A			FO	7/1/1995	7/1/1995

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2009

**APPENDIX A  
PARTICIPATING LOCAL DISTRICT PLAN ELECTIONS**

PLD Name	PLD #	Regular Plan	Special Plan	Special Plan	COLA	Entry Date	FO COLA Date
Wells, Town of	0107	A	3		Yes	7/1/1995	
West Bath, Town of	0333	A			Yes	7/1/2009	
Westbrook , City of	0122	A			Yes	7/1/2006	
Westbrook Fire and Police	0070	A	1	3	Yes	7/1/2006	
Westbrook Housing Authority	0259	A			Yes	7/1/1996	
Wilton, Town of	0086	A	2		FO	1/1/2009	1/1/2009
Windham, Town of	0309	A	4	3	Yes	7/1/2006	
Winslow, Town of	0144	A <sup>30</sup>			Yes	7/1/1996	
Winter Harbor Utility District	0250	A			Yes	7/1/1995	
Winterport Water & Sewer Districts	0306	A <sup>28</sup>			Yes	7/1/2005	
Winthrop, Town of	0179	A			FO	7/1/1994	7/1/2003
Yarmouth Water District	0278	A			Yes	7/1/1994	
Yarmouth, Town of	0116	A	1 <sup>31</sup>		Yes	7/1/1996	
York County	0037	A	2	1 <sup>32</sup>	Yes	7/1/1996	

**CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2009**

**APPENDIX A  
PARTICIPATING LOCAL DISTRICT PLAN ELECTIONS**

<b>PLD Name</b>	<b>PLD #</b>	<b>Regular Plan</b>	<b>Special Plan</b>	<b>Special Plan</b>	<b>COLA</b>	<b>Entry Date</b>	<b>FO COLA Date</b>
York Sewer District	0139	A			FO	7/1/1994	7/1/2006
York Water District	0039	A			Yes	7/1/1996	
York, Town of	0028	A	2 <sup>29</sup>		Yes	7/1/1994	

APPENDIX A  
PARTICIPATING LOCAL DISTRICT PLAN ELECTIONS

Notes:

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

<sup>1</sup> Employees hired prior to July 1, 1997 and who are members of the Plan are covered under Special Plan #1. Corrections Officers and Law Enforcement Officers hired on or after July 1, 1997, will be covered under Special Plan #2. All other employees hired on or after July 1, 1997, will be covered under Regular Plan A.

<sup>2</sup> Applicable to all new hires on or after July 1, 1996. All members in the PLD at July 1, 1996 elected to remain in the 1/50 Plan under Regular Plan A.

<sup>3</sup> Applicable for future service only for Police Officers from July 1, 2008 and for future service only for Firefighters from July 1, 2009.

<sup>4</sup> Applicable for future service only rendered by law enforcement from July 1, 2003. Applicable for future service only rendered by Firefighters from July 1, 2007.

<sup>5</sup> Brewer Water District (P0068) ceased to exist as a separate entity on January 15, 2003 and became part of the City of Brewer (P0063). All Brewer Water District Regular Plan AN members became members of the Regular Plan AC for future service only.

<sup>6</sup> Plan 1 applicable to Police for future service after January 1, 2009, and Plan 3 applicable to Firefighters for future service after January 1, 2009. Some grand-parented police and fire receive all service in Plan 1.

<sup>7</sup> Applicable for future service rendered by the Town's Firefighters and Police Officers from July 1, 2001.

<sup>8</sup> Applicable for future service only from July 1, 2000.

<sup>9</sup> Applicable for future service only from July 1, 2003.

<sup>10</sup> Applicable for future service rendered by the County's Police Officers from July 1, 2008.

<sup>11</sup> Applicable for future service of Police Officers, effective July 1, 2006.

<sup>12</sup> Greater Augusta Utility District (P0311) was formed by the merger of the Augusta Water District (former P0034) and the Augusta Sanitary District (former P0064).

<sup>13</sup> Applicable for future service only for the Town's Firefighters and Police Officers, effective July 1, 2009.

<sup>14</sup> Applicable to all new hires on or after July 1, 1994. All members in the PLD at July 1, 1994, elected to remain in the 1/50 Plan under Regular Plan A.

<sup>15</sup> Indian Township Tribal Government (P0144) withdrew from participation effective February 29, 2008.

<sup>16</sup> Applicable to all service for Police Officers and for future service only of Firefighters rendered from July 1, 2008.

<sup>17</sup> Applicable for future service only (from July 1, 2007) for Police Officers.

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2009

APPENDIX A  
PARTICIPATING LOCAL DISTRICT PLAN ELECTIONS

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

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2009

APPENDIX B  
MEMBER AND BENEFITS RECIPIENTS DATA AND PROFILES

<b>Active Member Data as of June 30, 2009</b>	
<b>Regular Plans Members</b>	
Count	7,440
Average Current Age	47.94
Average Service	9.50
Average Valuation Pay	\$ 35,337
<b>Special Plans Members</b>	
Count	2,279
Average Current Age	40.96
Average Service	10.77
Average Valuation Pay	\$ 51,615
<b>All Plans Members</b>	
Count	9,719
Average Current Age	46.30
Average Service	9.80
Average Valuation Pay	\$ 39,154

**CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2009**

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

**Participating Local Districts of the Maine Public Employees Retirement System  
Non-Active Member Data as of June 30, 2009  
Regular Plan**

	<b>Count</b>	<b>Total Annual Benefit</b>	<b>Average Annual Benefit</b>
Retired	3,405	\$ 39,816,596	\$ 11,694
Retired- Concurrent Beneficiaries	314	\$ 992,771	\$ 3,162
Disabilities / 1122	49	\$ 583,755	\$ 11,913
Disabilities / 3 and 3A	210	\$ 3,856,752	\$ 18,365
Beneficiaries	919	\$ 2,922,950	\$ 3,181
Pre-Retirement Death Benefits	146	\$ 834,852	\$ 5,718
Terminated Vested	1,029	\$ 6,329,718	\$ 6,151

**Participating Local Districts of the Maine Public Employees Retirement System  
Non-Active Member Data as of June 30, 2009  
Special Plan**

	<b>Count</b>	<b>Total Annual Benefit</b>	<b>Average Annual Benefit</b>
Retired	1,308	\$ 33,321,199	\$ 25,475
Retired- Concurrent Beneficiaries	355	\$ 1,830,665	\$ 5,157
Disabilities / 1122	40	\$ 736,062	\$ 18,402
Disabilities / 3 and 3A	40	\$ 1,003,307	\$ 25,083
Beneficiaries	215	\$ 2,922,950	\$ 13,595
Pre-Retirement Death Benefits	20	\$ 115,907	\$ 5,795
Terminated Vested	63	\$ 488,020	\$ 7,746



**CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2009**

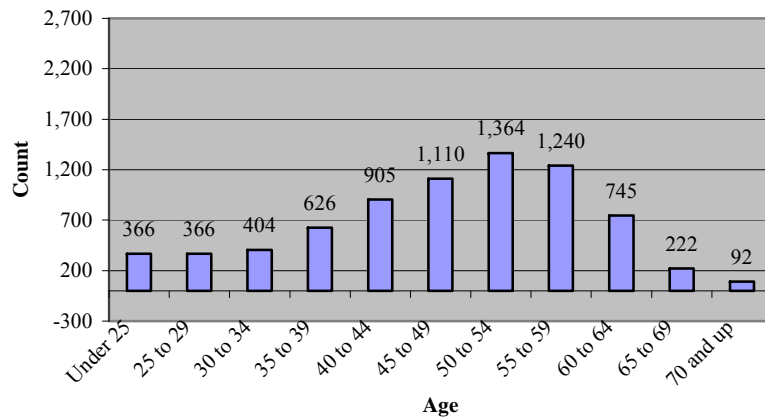
**APPENDIX B  
MEMBER AND BENEFITS RECIPIENTS DATA AND PROFILES**

Distribution of Active Members  
As of June 30, 2009

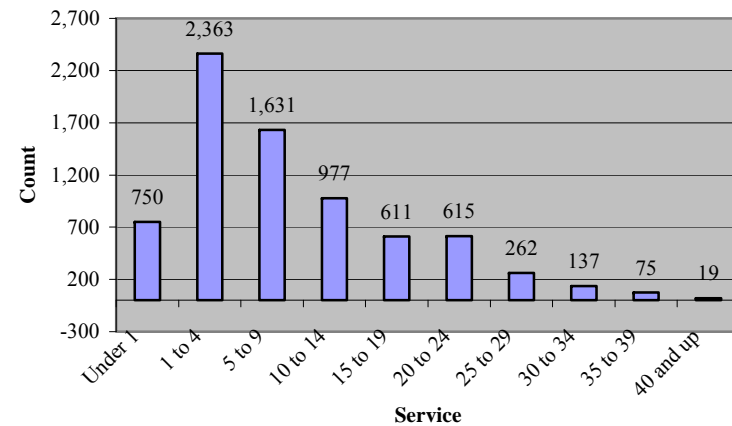
Regular Plan Participants

	Years of Service											Totals
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 and up		
Under 25	146	208	12	0	0	0	0	0	0	0	0	366
25 to 29	76	216	67	7	0	0	0	0	0	0	0	366
30 to 34	71	203	96	33	1	0	0	0	0	0	0	404
35 to 39	83	276	188	56	19	4	0	0	0	0	0	626
40 to 44	102	327	218	141	71	44	2	0	0	0	0	905
45 to 49	97	368	249	153	88	110	40	5	0	0	0	1,110
50 to 54	84	352	320	186	146	142	78	51	5	0	0	1,364
55 to 59	52	254	261	212	132	161	70	53	42	3	0	1,240
60 to 64	27	112	158	137	110	104	53	20	17	7	0	745
65 to 69	11	32	46	42	29	33	14	6	5	4	0	222
70 and up	1	15	16	10	15	17	5	2	6	5	0	92
<b>Total</b>	<b>750</b>	<b>2,363</b>	<b>1,631</b>	<b>977</b>	<b>611</b>	<b>615</b>	<b>262</b>	<b>137</b>	<b>75</b>	<b>19</b>	<b>0</b>	<b>7,440</b>

**Age Distribution**



**Service Distribution**



**CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2009**

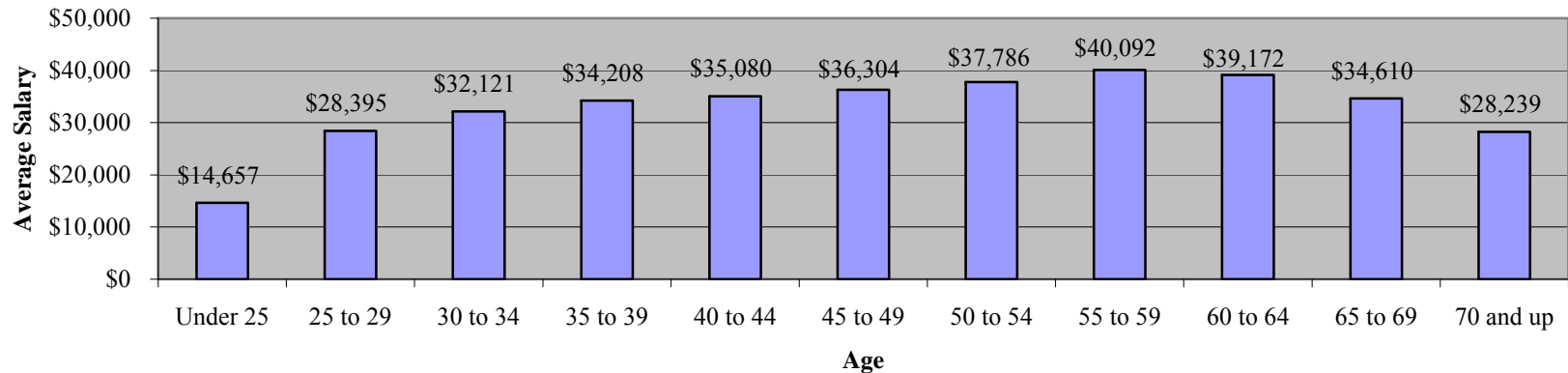
**APPENDIX B  
MEMBER AND BENEFITS RECIPIENTS DATA AND PROFILES**

Distribution of Active Members  
As of June 30, 2009

Regular Plan Participants

	Average Salary Years of Service											Average
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 and up		
Under 25	\$ 7,629	\$ 19,603	\$ 14,420	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,657
25 to 29	16,003	32,106	30,030	32,774	-	-	-	-	-	-	-	28,395
30 to 34	16,049	34,505	38,173	34,358	34,327	-	-	-	-	-	-	32,121
35 to 39	17,836	34,034	39,219	38,215	44,092	47,298	-	-	-	-	-	34,208
40 to 44	16,365	32,997	37,723	42,137	42,897	45,318	41,636	-	-	-	-	35,080
45 to 49	19,479	34,047	36,492	38,795	43,011	46,015	44,486	46,100	-	-	-	36,304
50 to 54	16,501	34,671	36,285	37,777	43,258	44,319	49,221	51,569	46,774	-	-	37,786
55 to 59	19,349	36,279	39,810	39,521	42,067	42,073	45,449	50,267	55,336	75,876	-	40,092
60 to 64	17,576	35,658	38,074	38,142	40,094	41,105	45,039	49,477	57,207	62,735	-	39,172
65 to 69	12,587	25,259	35,147	33,561	37,615	37,402	47,790	30,857	70,815	44,226	-	34,610
70 and up	15,770	23,898	14,911	28,333	27,781	31,794	39,850	51,167	29,382	53,345	-	28,239
Average	\$ 15,373	\$ 32,716	\$ 37,036	\$ 38,591	\$ 41,717	\$ 42,864	\$ 46,331	\$ 49,647	\$ 54,145	\$ 58,442		\$ 35,337

**Average Salary Distribution**



**CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2009**

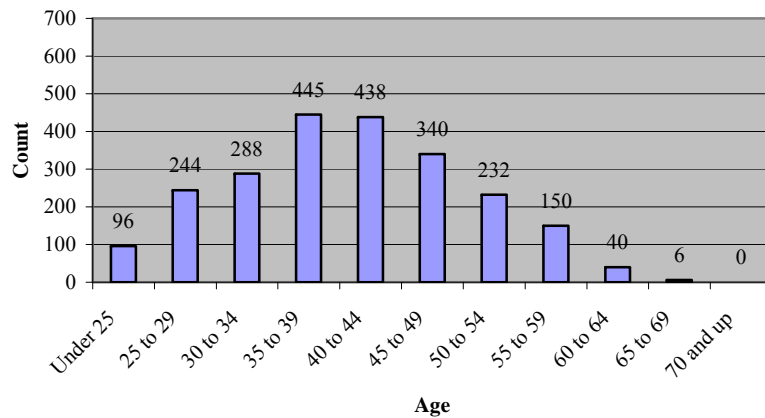
**APPENDIX B  
MEMBER AND BENEFITS RECIPIENTS DATA AND PROFILES**

Distribution of Active Members  
As of June 30, 2009

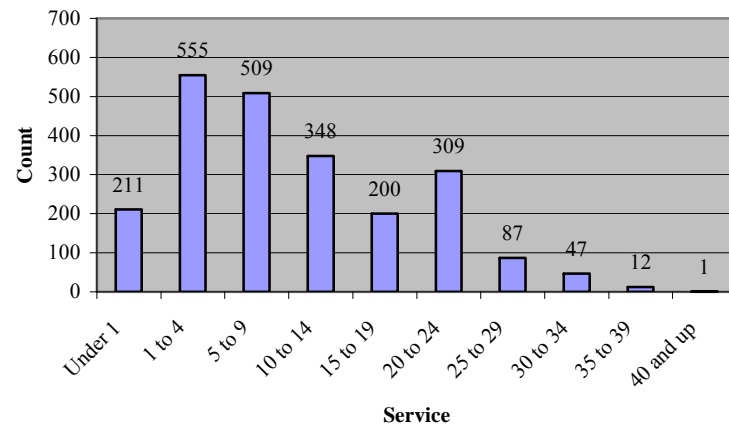
Special Plan Participants

	Years of Service											Totals
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 and up		
Under 25	50	46		0	0	0	0	0	0	0	0	96
25 to 29	45	159	39	1	0	0	0	0	0	0	0	244
30 to 34	33	100	125	29	1	0	0	0	0	0	0	288
35 to 39	25	94	152	143	31	0	0	0	0	0	0	445
40 to 44	15	60	101	89	84	87	2	0	0	0	0	438
45 to 49	20	53	45	39	47	114	22	0	0	0	0	340
50 to 54	9	26	29	23	23	71	40	11	0	0	0	232
55 to 59	8	12	15	17	9	29	21	32	7	0	0	150
60 to 64	6	5	2	6	3	8	1	4	4	1	0	40
65 to 69	0	0	1	1	2	0	1	0	1	0	0	6
70 and up	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>211</b>	<b>555</b>	<b>509</b>	<b>348</b>	<b>200</b>	<b>309</b>	<b>87</b>	<b>47</b>	<b>12</b>	<b>1</b>	<b>0</b>	<b>2,279</b>

**Age Distribution**



**Service Distribution**



**CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2009**

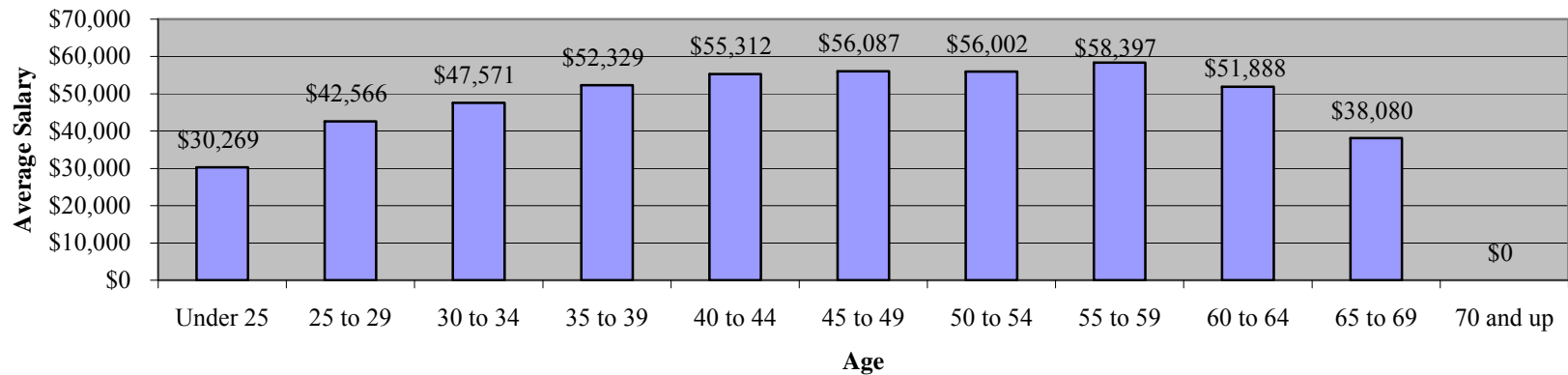
**APPENDIX B  
MEMBER AND BENEFITS RECIPIENTS DATA AND PROFILES**

Distribution of Active Members  
As of June 30, 2009

Special Plan Participants

	Average Salary Years of Service											Average
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 and up		
Under 25	\$ 19,015	\$ 42,501	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,269
25 to 29	22,623	46,550	49,534	34,801	-	-	-	-	-	-	-	42,566
30 to 34	24,926	47,524	52,129	53,349	62,289	-	-	-	-	-	-	47,571
35 to 39	22,067	47,484	53,921	57,469	59,911	-	-	-	-	-	-	52,329
40 to 44	27,618	50,655	54,408	55,722	58,821	60,632	51,341	-	-	-	-	55,312
45 to 49	28,567	53,682	51,835	55,094	59,883	61,051	63,517	-	-	-	-	56,087
50 to 54	20,469	49,665	49,068	57,815	55,784	59,006	64,119	66,099	-	-	-	56,002
55 to 59	34,052	43,837	53,297	61,267	46,405	58,937	61,539	69,510	68,083	-	-	58,397
60 to 64	28,223	52,048	56,088	42,973	51,322	54,803	62,791	67,152	73,984	56,191	-	51,888
65 to 69	-	-	30,644	36,029	35,412	-	49,976	-	41,007	-	-	38,080
70 and up	-	-	-	-	-	-	-	-	-	-	-	-
Average	\$ 23,482	\$ 47,810	\$ 52,725	\$ 56,244	\$ 58,002	\$ 60,103	\$ 62,872	\$ 68,511	\$ 67,794	\$ 56,191	\$ 51,615	

**Average Salary Distribution**



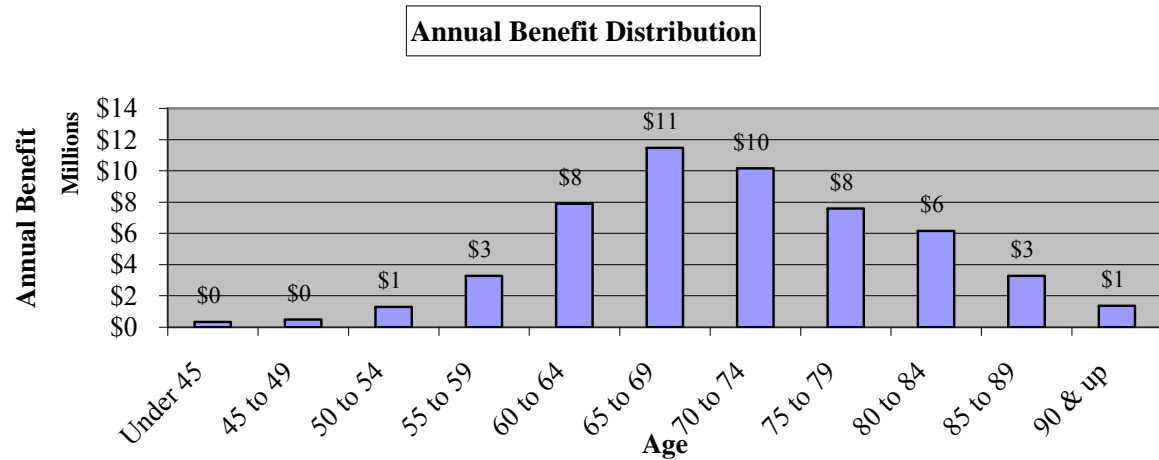
**CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION AS OF JUNE 30, 2009**

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

**Distribution of Retirees, Disabled  
Members, Beneficiaries, and Survivors  
As of June 30, 2009**

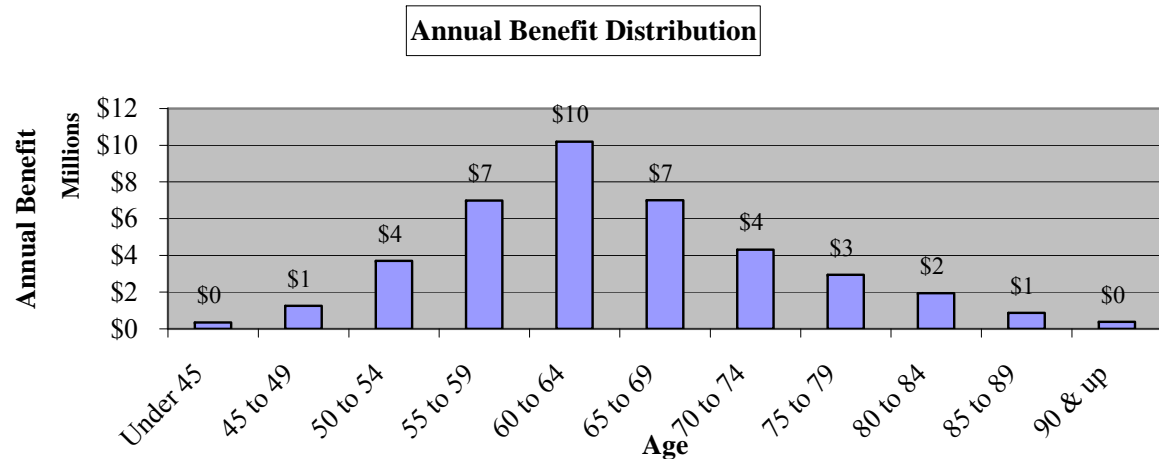
**Regular Plan Participants**

Age	Count	Annual Benefit
Under 45	56	\$ 323,956
45 to 49	50	483,927
50 to 54	95	1,296,420
55 to 59	215	3,279,688
60 to 64	572	7,902,168
65 to 69	889	11,465,415
70 to 74	930	10,157,243
75 to 79	781	7,581,369
80 to 84	752	6,163,046
85 to 89	474	3,285,900
90 & up	229	1,379,836
<b>Total</b>	<b>5,043</b>	<b>\$ 53,318,971</b>



**Special Plan Participants**

Age	Count	Annual Benefit
Under 45	26	352,507
45 to 49	60	1,255,114
50 to 54	159	3,704,573
55 to 59	296	6,980,856
60 to 64	462	10,191,064
65 to 69	340	7,003,536
70 to 74	243	4,313,700
75 to 79	175	2,943,643
80 to 84	126	1,932,916
85 to 89	60	870,063
90 & up	31	382,116
<b>Total</b>	<b>1,978</b>	<b>39,930,088</b>



APPENDIX C  
SUMMARY OF PLAN PROVISIONS

**1. Member Contributions:**

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

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

**2. Average Final Compensation:**

For purposes of determining benefits payable under the Plan, average final compensation is the average annual rate of earnable compensation for the 3 years of creditable service (not necessarily consecutive) which produce the highest such average.

**3. Creditable Service:**

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

**4. Service Retirement Benefits:**

*Regular Plan AC*

Normal Retirement Age: 60

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

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

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

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

Benefit: 1/50 of average final compensation multiplied by years of membership service under Consolidated Plan AC reduced by approximately 2¼% for each year that a member is younger than age 60 at retirement.

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

Cost-of-Living Adjustment: See item 10.

*Regular Plan AN*

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

APPENDIX C  
SUMMARY OF PLAN PROVISIONS

***Regular Plan BC***

Normal Retirement Age: 60

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

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

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

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

Benefit: 1/100 of average final compensation multiplied by years of membership service under Consolidated Plan BC reduced by approximately 2¼% for each year that a member is younger than age 60 at retirement.

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

Cost-of-Living Adjustment: See item 10.

***Regular Plan Notes***

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

***Special Plan 1C***

Eligibility: 20 years of creditable service in named positions.

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

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

Cost-of-Living Adjustment: See item 10.

***Special Plan 1N***

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

APPENDIX C  
SUMMARY OF PLAN PROVISIONS

***Special Plan 2C***

Eligibility: 25 years of creditable service in named positions.

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

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

Cost-of-Living Adjustment: See item 10.

***Special Plan 2N***

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

***Special Plan 3C***

Eligibility: 25 years of creditable service in named positions.

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

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

Cost-of-Living Adjustment: See item 10.

***Special Plan 3N***

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

***Special Plan 4C***

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

Benefit: 1/50 of average final compensation multiplied by years of membership service under Consolidated Plan 4C reduced by approximately 2¼% for each year that a member is younger than age 55 at retirement.

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

Cost-of-Living Adjustment: See item 10.

***Special Plan 4N***

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

***Special Plan Notes***

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



APPENDIX C  
SUMMARY OF PLAN PROVISIONS

percentage of average final compensation multiplied by years of service under any previous plan(s) (the percentage depends on the previous plan(s)).

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

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

Benefit:

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

last dependent child no longer meets the definition of "dependent child".

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

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

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

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

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

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

Form of Payment: Payment begins on termination of service and ceases on cessation of disability or after five years, unless the member is unable to engage in any substantially gainful

APPENDIX C  
SUMMARY OF PLAN PROVISIONS

activity; in which case payments cease on the earlier of ten years following normal retirement age or date the service retirement benefit equals or exceeds the disability benefit.

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

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

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

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

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

Conversion to Service Retirement: During the period of disability, service is credited and average final compensation

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

**9. Refund of Contributions:**

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

Benefit: Member's accumulated contributions with interest.

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

All service and disability retirement (and survivor) benefits payable to (or in relation to) benefit recipients who were employed by a PLD that elected a plan which provides for a COLA are adjusted each year that there is a percentage change in the Consumer Price Index, based on the Index. Cost-of-living adjustments are effective September 1 and are applied to all benefits which have been in payment for six months. The maximum annual increase or decrease is 4%.

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

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

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

Option 1: Cash refund equal to the remaining employee contribution balance, if any, at the date of death (the employee

APPENDIX C  
SUMMARY OF PLAN PROVISIONS

contribution balance having been reduced each month by the portion of the monthly benefit deemed to be provided by employee contributions).

Option 2: 100% joint and survivor annuity.

Option 3: 50% joint and survivor annuity.

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

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

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

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

Option 8: Option 4 with pop-up\*.

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

APPENDIX D  
 ACTUARIAL ASSUMPTIONS AND METHODS

A. Actuarial Assumptions

1. Annual Rate of Investment Return: 7.75%

2. Cost-of-Living Increases in Benefits:

3.75% (Where Applicable)

3. Rates of Termination at Selected Years of Service\*:

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

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

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

Age	Male	Female
25	7	3
30	9	4
35	9	5
40	12	8
45	17	10
50	28	15
55	48	25
60	86	48
65	156	93
70	255	148

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

APPENDIX D  
 ACTUARIAL ASSUMPTIONS AND METHODS

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

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

Special Plans

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

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

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

Regular Plans

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

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

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

\*\* 10% assumed to receive Workers Compensation benefits offsetting disability benefit.

**APPENDIX D  
ACTUARIAL ASSUMPTIONS AND METHODS**

**8. Family Composition Assumptions:**

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

**9. Salary Growth Assumption:**

Rates of Increases at Selected Years	
Years of Service	Increase
0	10.5%
1	8.0
2	6.5
3	5.7
4	5.3
5	5.0
10	4.5
15	4.5
20	4.5
25	4.5
30	4.5

**10. Assumption Changes Since Last Valuation**

As a result of an experience study performed in 2008, the actuary recommended changes to several assumptions and these recommendations were adopted by the Board. Please refer to the Experience Study report for details on the recommended changes.

APPENDIX D  
ACTUARIAL ASSUMPTIONS AND METHODS

**B. Actuarial Methods**

**1. Funding Method:**

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

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

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

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

**2. Asset Valuation Method**

The actuarial valuation employs a technique for determining the actuarial value of assets which dampens the swings in market value. The specific technique adopted in this valuation recognizes in a given year one-third of the investment return that is in excess of the 7.75% actuarial assumption for investment return.